

Agenda – Finance Committee

Meeting Venue: Hybrid – Committee
room 3, Senedd and video conference
via Zoom

For further information contact:

Owain Roberts

Committee Clerk

Meeting date: 21 June 2023

0300 200 6388

Meeting time: 09.30

SeneddFinance@senedd.wales

Registration (09.15–09.30)

Private pre-meeting – Informal (09.30–10.15)

1 Introductions, apologies, substitutions and declarations of interest

(10.15)

2 Paper(s) to note

(10.15)

(Pages 1 – 9)

Minutes of the meetings held on 8 March, 26 April and 24 May.

2.1 PTN 1 – Letter from the Chair of the Health and Social Care Committee – Financial scrutiny of Health Boards – 24 April 2023

(Pages 10 – 11)

2.2 PTN 2 – Welsh Government Second Supplementary Budget 2022–23: Welsh Government response – April 2023

(Pages 12 – 20)

2.3 PTN 3 – Letter from Peter Fox MS to the Minister for Rural Affairs and North Wales, and Trefnydd: Food (Wales) Bill – 4 May 2023

(Pages 21 – 24)

2.4 PTN 4 – Health Service Procurement (Wales) Bill report: Welsh Government response – 5 May 2023

(Pages 25 – 28)



- 2.5 PTN 5 – Letter from the Minister for Health and Social Services: Health Service Procurement (Wales) Bill – 5 May 2023**
(Pages 29 – 30)
- 2.6 PTN 6 – Letter from Jonathan Ahow, HMRC: Administration of WRIT – 9 May 2023**
(Pages 31 – 32)
- 2.7 PTN 7 – Letter from the Minister for Rural Affairs and North Wales, and Trefnydd: Agriculture (Wales) Bill – 9 May**
(Pages 33 – 35)
- 2.8 PTN 8 – Letter from the Minister for Finance and Local Government: Inflation in the cost estimates accompanying future Bills – 12 May 2023**
(Pages 36 – 37)
- 2.9 PTN 9 – Letter from the Legislation, Justice and Constitution Committee: UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021–2027 – 12 May 2023**
(Pages 38 – 43)
- 2.10 PTN 10 – Letter from the Counsel General to the Chair of the Legislation, Justice and Constitution Committee: Inter-Ministerial Standing Committee – 17 May 2023**
(Page 44)
- 2.11 PTN 11 – Food (Wales) Bill: Response from Peter Fox MS, Member-in-charge of the Bill – 19 May 2023**
(Pages 45 – 50)
- 2.12 PTN 12 – Letter from the Chair of Economy, Trade and Rural Affairs Committee: Food (Wales) Bill – 31 May 2023**
(Page 51)
- 2.13 PTN 13 – Letter from the Minister for Health and Social Services: The Health Service Procurement (Wales) Bill – Stage 2 Government Amendment – 24 May 2023**
(Pages 52 – 54)

- 2.14 PTN 14 – Letter from the Senedd Commission: Update in relation to
Committee report recommendation – 24 May 2023**
(Pages 55 – 58)
- 2.15 PTN 15 – Letter from the Minister for Climate Change: The Environmental
Protection (Single-use Plastic Products) (Wales) Bill – 31 May 2023**
(Pages 59 – 60)
- 2.16 PTN 16 – Letter from the Minister for Finance and Local Government:
Finance: Interministerial Standing Committee – 13 June 2023**
(Pages 61 – 62)
- 3 Welsh Government First Supplementary Budget 2023–24: Evidence
session**
(10.15–11.15) (Pages 63 – 84)
Rebecca Evans MS, Minister for Finance and Local Government
Emma Watkins, Deputy Director, Budget and Government Business
Sharon Bounds, Deputy Director, Financial Controls
- Supporting documents:**
[Welsh Government First Supplementary Budget 2023–24](#)
Research Service brief
- 4 Motion under Standing Order 17.42 (ix) to resolve to exclude the
public from the remainder of this meeting**
(11.15)
- 5 Welsh Government First Supplementary Budget 2023–24:
Consideration of evidence**
(11.15–11.30)
- 6 Legislative Consent Memorandum (LCM): Non–Domestic Rating
Bill**
(11.30–11.45) (Pages 85 – 89)
Supporting documents:

FIN(6)-10-23 P1 – Cover paper

FIN(6)-10-23 P2 – Letter from the Minister for Finance and Local Government to the Chair of the Finance Committee – 2 June 2023

FIN(6)-10-23 P3 – Letter from the Minister for Finance and Local Government to the Chair of the Legislation, Justice and Constitution Committee – 1 June 2023

7 Audit Wales – Notification of audit deadlines

(11.45–12.00)

(Pages 90 – 95)

Supporting documents:

FIN(6)-10-23 P4 – Audit Wales – Notification of audit deadlines

8 Consultation with Senedd Committees on documentation accompanying the Draft Budget

(12.00–12.15)

(Pages 96 – 118)

Supporting documents:

FIN(6)-10-23 P5 – Cover paper

FIN(6)-10-23 P6 – Letter from the Chair of the Climate Change, Environment, and Infrastructure Committee – 12 April 2023

FIN(6)-10-23 P7 – Letter from the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee – 18 May 2023

FIN(6)-10-23 P8 – Letter from the Chair of the Children, Young People and Education Committee – 25 May 2023

FIN(6)-10-23 P9 – Letter from the Chair of the Equality and Social Justice Committee – 20 April 2023

FIN(6)-10-23 P10 – Letter from the Chair of the Economy, Trade, and Rural Affairs Committee – 26 May 2023

FIN(6)-10-23 P11 – Letter from the Chair of the Health and Social Care Committee – 28 April 2023

FIN(6)-10-23 P12 – Letter from the Chair of the Local Government and Housing Committee – 26 April 2023

9 The Environment (Air Quality and Soundscapes) (Wales) Bill:

Consideration of draft report

(12.15–12.30)

(Pages 119 – 138)

Supporting documents:

FIN(6)–10–23 P13 – Draft report

Concise Minutes – Finance Committee

Meeting Venue: Hybrid – Committee room 4 Ty Hywel and video conference via Zoom

This meeting can be viewed on [Senedd TV](#) at: <http://senedd.tv/en/13244>

Meeting date: Wednesday, 8 March 2023

Meeting time: 09.30 – 11.12

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Tom Giffard MS (In place of Peter Fox MS)
Witnesses:	Eluned Morgan MS, Minister for Health and Social Services Dafydd Evans, Welsh Government Leanne Roberts, Welsh Government
Committee Staff:	Owain Roberts (Clerk) Georgina Owen (Second Clerk) Mike Lewis (Deputy Clerk)

Registration (09.00–09.15)

Private pre-meeting – Informal (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.



1.2 Apologies were received from Rhianon Passmore MS.

1.3 Tom Giffard MS attended as a substitute for Peter Fox MS for items 1 to 6. Peter Fox MS attended for the remainder of the meeting.

2 Paper(s) to note

2.1 The papers were noted.

2.1 PTN 1 – Letter from the Minister for Finance and Local Government: Update on Financial Transactions Capital allocations – 27 February 2023

3 Financial Implications of the Health Service Procurement (Wales) Bill: Evidence session

3.1 The Committee took evidence on the Financial Implications of the Health Service Procurement (Wales) Bill from Eluned Morgan MS, Minister for Health and Social Services; Dafydd Evans, Deputy Director, Life Sciences and Innovation; and Leanne Roberts, Head of Procurement Reform Policy – Health and Social Care.

3.2 The Minister for Health and Social Services agreed to:

- provide detailed workings in relation to the increase in staff costs to NHS Bodies of £2.7 million identified in the Regulatory Impact Assessment.
- confirm the likelihood of the Welsh Government receiving consequential funding as a result of the expenditure in England.

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting and the meeting on 23 March 2023

4.1 The motion was agreed.

5 Financial Implications of the Health Service Procurement (Wales) Bill: Consideration of evidence

5.1 The Committee considered the evidence received.

6 Review of the Welsh Revenue Authority Charter

6.1 The Committee considered the paper on the Welsh Revenue Authority charter review.

7 Scrutiny of the Welsh Government Second Supplementary Budget 2022–23: Consideration of draft report

7.1 The Committee considered and agreed the report with minor changes.

Concise Minutes – Finance Committee

Meeting Venue: Hybrid – Committee room 4 Ty Hywel and video conference via Zoom

This meeting can be viewed on [Senedd TV](http://senedd.tv) at: <http://senedd.tv/en/13310>

Meeting date: Wednesday, 26 April 2023

Meeting time: 09.00 – 10.56

Hybrid

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS John Griffiths MS (In place of Rhianon Passmore MS)
Witnesses:	Julie James MS, Minister for Climate Change Olwen Spiller, Welsh Government Roger Herbert, Welsh Government
Committee Staff:	Leanne Hatcher (Second Clerk) Mike Lewis (Deputy Clerk) Owen Holzinger (Researcher)

Registration (09.00–09.15)

Private pre-meeting – Informal (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.



1.2 Apologies were received from Rhianon Passmore MS.

1.3 John Griffiths MS attended as a substitute for Rhianon Passmore MS for items 1 to 5.

2 Paper(s) to note

2.1 The papers were noted.

- 2.1 PTN 1 – Scrutiny of the Welsh Government Draft Budget 2023–24: Welsh Government response – 6 March 2023
- 2.2 PTN 2 – Letter from the Minister for Finance and Local Government: Payment from the UK Contingencies Fund – 9 March 2023
- 2.3 PTN 3– Letter from the Minister for Social Justice: Update on the humanitarian support for Ukraine – 16 March 2023
- 2.4 PTN 4 – Letter from the Minister for Education and the Welsh Language: Impact of inflation on the schools and education programme – 20 March 2023
- 2.5 PTN 5 – Letter from the Minister for Health and Social Services: Additional Funding for the NHS – 24 March 2023
- 2.6 PTN 6 – Letter form the First Minister: Royal Assent of the Environmental Protection (Single–use Plastic Products) (Wales) Bill – 22 March 2023
- 2.7 PTN 7 – Letter from the Chair of the Health and Social Care Committee: Health Service Procurement (Wales) Bill – 9 March 2023
- 2.8 PTN 8 – Letter from the Minister of Health and Social Services to the Chair of the Legislation, Justice and Constitution Committee: Health Service Procurement (Wales) Bill – 24 March 2023
- 2.9 PTN 9 – Letter from the UK Government Parliamentary Under–Secretary of State to the Chair of the Health and Social Care Committee: Health Service Procurement (Wales) Bill – 22 March 2023
- 2.10 PTN 10 – Scrutiny of the Senedd Commission Draft Budget 2023–2024 – Updated Senedd Commission response – 30 March 2023
- 2.11 PTN 11 – Letter from the Minister for Finance and Local Government: Local Government Settlement – 3 April 2023

2.12 PTN 12 – Letter from the Deputy Minister for Social Partnership: Social Partnership and Public Procurement (Wales) Bill – Updated Explanatory Memorandum – 28 February 2023

2.13 PTN 13 – Letter from the Minister for Rural Affairs and North Wales, and Trefnydd: Food (Wales) Bill

3 Environment (Air Quality and Soundscapes) (Wales) Bill

3.1 The Committee took evidence on the Financial Implications of the Environment (Air Quality and Soundscapes) (Wales) Bill from Julie James MS, Minister for Climate Change; Olwen Spiller, Deputy Head of Environmental Protection; and Roger Herbert, Head of Air Quality Monitoring, Evidence and Assessment.

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting and the meeting on 24 May

4.1 The motion was agreed.

5 Environment (Air Quality and Soundscapes) (Wales) Bill: Consideration of evidence

5.1 The Committee considered the evidence received.

6 Review of Statement of Principles

6.1 The Committee considered the paper and agreed its approach to reviewing the Statement of Principles.

6.2 The Committee agreed to write to the Minister for Finance and Local Government, and the Directly Funded Bodies, to seek their views on the current Statement of Principles.

Concise Minutes – Finance Committee

Meeting Venue: Hybrid – Committee
room 4 Ty Hywel and video conference
via Zoom

Meeting date: Wednesday, 24 May 2023

Meeting time: 09.30 – 10.45

Hybrid, private

Attendance

Category	Names
Members of the Senedd:	Peredur Owen Griffiths MS (Chair) Peter Fox MS Mike Hedges MS Rhianon Passmore MS
Witnesses:	Graeme Keay, Alma Economics Dr Eleni Kotsira, Alma Economics
Committee Staff:	Owain Roberts (Clerk) Leanne Hatcher (Second Clerk) Mike Lewis (Deputy Clerk) Martin Jennings (Researcher) Christian Tipples (Researcher) Božo Lugonja (Researcher) Aled Evans (Legal Adviser)



At its meeting on 26 April 2023, the Committee agreed a motion under Standing Order 17.42(ix) to exclude the public from today's meeting.

Registration (09.15–09.30)

1 Introductions, apologies, substitutions and declarations of interest

1.1 The Chair welcomed Members to the meeting of the Finance Committee.

2 Land Transaction Tax Independent Review: Alma Economics presentation

2.1 The Committee received a presentation on the Land Transaction Tax Independent Review from Graeme Keay and Eleni Kotsira of Alma Economics.

3 First Supplementary Budget 2023–24: Directly Funded Bodies

3.1 The Committee considered the supplementary estimates from the Public Services Ombudsman for Wales; and the Senedd Commission.

4 Audit Wales – Notification of audit deadlines

4.1 The Committee agreed to reschedule this item for the meeting on 21 June 2023.

5 Legislative Consent Memorandum (LCM): Non–Domestic Rating Bill

5.1 The Committee considered the LCM on the Non–Domestic Rating Bill and agreed to write to the Minister for Finance and Local Government.

6 Consideration of draft letter to the Chief Secretary to the Treasury

6.1 The Committee considered the draft letter to the Chief Secretary to the Treasury and agreed it with minor changes.

7 Welsh Government Draft Budget 2024–25: Update on stakeholder engagement

7.1 The Committee considered the paper on the stakeholder event.

Agenda Item 2.1

Y Pwyllgor Iechyd a
Social Cymdeithasol

Health and Social Care Committee

Peredur Owen Griffiths MS
Chair
Finance Committee

24 April 2023

Dear Peredur

Health boards: financial sustainability and balance

At our meeting on 30 March 2023, the Health and Social Care Committee considered the Welsh Government's response to our recent report on the Welsh Government's draft budget 2023-24. We have some ongoing concerns about health boards' financial performance, and would like to ask you to consider including financial scrutiny of health boards within your work programme.

We have considered health boards' financial positions during our scrutiny of the Welsh Government's draft budgets for 2022-23 and 2023-24, including the extent to which they are achieving their statutory responsibilities under the NHS Finances (Wales) Act 2014 i.e. their duties to manage their resources within approved limits over a three year rolling period; and to prepare, and have approved by Ministers, a rolling three-year Integrated Medium Term Plan. During oral evidence on the draft budget in each year we have discussed the situation with the Ministers, including how the Welsh Government is working with and supporting health boards.

However, we are concerned that our scrutiny of the 2023-24 draft budget suggests that health boards' financial positions have deteriorated rather than improved. The latest figures available to inform our scrutiny showed that, in aggregate, health boards were reporting an in-year deficit to date of £98.6m and a forecast end of year deficit of £159.9m for 2022-23. At that time, six out of the seven health boards were projecting end of year overspends. This is especially concerning as allocations to health boards represent a significant proportion of the overall Welsh Government budget each year.

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
Seneddlechyd@senedd.cymru
senedd.cymru/Seneddlechyd
0300 200 6565

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddHealth@senedd.wales
senedd.wales/SeneddHealth
0300 200 6565



In our report, we recommended that:

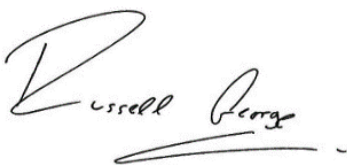
"The Welsh Government should provide further assurances about how it will ensure that all health boards in Wales achieve financial sustainability and balance within the 2023-24 to 2025-26 integrated medium term planning cycle. This should include clear timescales within which the Welsh Government anticipates each health board will achieve financial balance, and how progress will be monitored".

The Welsh Government accepted this recommendation in principle. In its response, the Welsh Government highlighted the "significant strain" on health board finances. It did not set out timescales for each health board to achieve financial balance, rather it noted that "most health boards" would not be able to present balanced integrated medium term plans in March 2023. It added:

"Work is required to scope, develop and implement opportunities for increasing efficiency and restoring financial stability and this will be taken forward in partnership between Welsh Government and senior NHS officials. Further updates will be provided to the Committee as this work progresses".

We are not yet assured that this will be sufficient given the deterioration we have seen and the ongoing pressures on our health services. We also have concerns about the level of Welsh Government capacity available to provide the support needed. We would be grateful, therefore, if you would consider including financial scrutiny of health boards within your work programme, including whether sufficient efforts are being made by health boards and the Welsh Government to regain health boards' financial sustainability and balance, and whether there is sufficient capacity available for this.

Yours sincerely

A handwritten signature in black ink that reads "Russell George". The signature is written in a cursive style with a long horizontal stroke at the end.

Russell George MS
Chair, Health and Social Care Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA-RE-1070-23

Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1NA

26 April 2023

Dear Peredur,

Thank you for your Committee's scrutiny of the Second Supplementary Budget 2022-23 and the report that followed.

I attach a written response to the recommendations made which I hope you find useful.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Back Page 12
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

WELSH GOVERNMENT RESPONSE TO RECOMMENDATIONS FROM THE FINANCE COMMITTEE REPORT:

SCRUTINY OF WELSH GOVERNMENT SECOND SUPPLEMENTARY BUDGET 2022-23

APRIL 2023

Recommendation 1

The Committee recommends that the Welsh Government should provide information about the in-year balance in the Wales Reserve as part of documentation accompanying all future budgetary proposals laid before the Senedd.

Response: Accept

All Welsh Government budgets provide information on utilisation of the Wales Reserve.

Recommendation 2

The Committee recommends that the Minister provides details of any significant last-minute allocations made between now and the end of the financial year as a result of an agreement being reached on public sector pay awards, or for any other reason, and for such information to be provided before the First Supplementary Budget 2023-24 is laid.

Response: Accept

No significant allocations were made following the second supplementary budget. Reserves have been earmarked to support the costs associated with the enhanced NHS pay award offered on 20th April. Further details will be provided when the outcome of trade union members' ballots on this offer are known.

Recommendation 3

The Committee recommends that the Minister continues in her efforts to persuade the UK Government to increase the size of the Wales Reserve and borrowing limits so they are at least in line with inflation, with the aim of providing sufficient flexibility, similar to that afforded to local authorities, to allow prudent

budgetary management from one financial year to the next in order to maximise the funding available to the Welsh Government.

Response: Accept

As set out in our response to the Finance Committee's report on Scrutiny of the Welsh Government Draft Budget 2023-24, the fiscal levers currently available to the Welsh Government limit our ability to respond quickly to emerging needs, leaving us dependent on decisions made by the UK Government and exposed to the impact of the timing of those decisions. The Institute for Fiscal Studies (IFS) has previously highlighted the case for enhanced reserve powers in Wales and for drawdown limits to be increased, if not abolished. It is the view of the IFS that the existing limits on the total amount that can be held in reserves should, at the very least, be indexed in some way to account for growth in devolved spending and tax revenues.

In its Interim Report, the Independent Commission on the Constitutional Future of Wales noted that the most immediate practical financial issue arises from the restrictions applied by HM Treasury to the Welsh Government's management of its budget. It noted that the Welsh Government's ability to borrow for capital investment and to carry over capital spending between financial years, is constrained by limits set in 2016-17; any requests for flexibility are required to be put to HM Treasury on a case-by-case basis, which is time-consuming and resource intensive. It also stated that it is hard to see why these constraints are needed, given that the Welsh Government is accountable to the Public Accounts Committee of the Senedd for its stewardship of public expenditure.

Welsh Government Ministers have long made representations to the UK Government for additional fiscal flexibilities here in Wales and the First Minister raised the specific issue of uprating the limits in the fiscal framework at last autumn's Prime Minister and Heads of Devolved Governments Council meeting. We continue to press the UK Government for additional fiscal flexibilities, through the appropriate channels, including the Finance: Inter-ministerial Standing Committee (F:ISC) and through bilateral meetings with the Chief Secretary to the Treasury.

Recommendation 4

The Committee recommends that the Welsh Government puts controls in place to ensure that its delivery partners receive as much clarity as possible regarding their financial position from one year to the next, given that the impact of any financial implications arising from key pay awards remains unknown.

Response: Accept

The Welsh Government is committed to working in partnership with its delivery partners and uses extensive and various means to ensure delivery partners have clarity in respect of their financial positions. Where appropriate, planning assumptions are provided and updated as necessary.

It is always our aspiration to provide longer-term budgets for our partners and stakeholders when possible, but a significant factor in setting multi-year budgets is the timeframe of our own budget settlement. In 2021, the UK Government provided a multi-year settlement for Wales and we in turn provided this certainty for our stakeholders, providing funding allocations up to 2025.

Details of any changes to our settlements, either positive or negative, are provided at the earliest opportunity to provide as much certainty as possible to our partners and stakeholders. In that spirit, as a Government, we have committed to publishing our Draft Budget within four weeks of the UK Government fiscal event to provide that certainty where possible.

We also recognise that our local authority partners have a statutory requirement to set their budgets before 11th March each year and therefore consider that the Welsh Government's Annual Budget should be agreed prior to 11th March and we continue to engage closely with our local authority partners to ensure we meet this commitment.

Welsh Government believes all public sector workers should be fairly rewarded for the important work they do. Unlike the UK Government, we have had intense discussions and worked in social partnership to find a resolution.

Unfortunately, our financial settlement falls far short of what is needed to meet the very significant challenges faced by our public services and workers across Wales.

We continue to call on the UK Government to invest in public services and public sector staff, and share information with regards to the implications of any pay offer transparently and swiftly to inform budget processes.

Our ability to provide certainty to our partners is limited in the absence of that information and funding, however we continue to engage constructively with our trade union partners on this critical issue.

In respect of NHS pay awards, the Health Board allocation letters for 2023-24, issued in December 2022, specified that the impact of NHS pay awards in 2023-24 would be met separately, once awards were decided.

Recommendation 5

The Committee recommends that:

- **measures are taken by the Welsh Government to ensure that each Local Health Board in Wales does not exceed its funding over the rolling three-year periods, as required by the National Health Service Finance (Wales) Act 2014; and**
- **where Local Health Boards are overspending in a single year, these should be funded from within the existing health and social services departmental budget.**

Response: Accept in principle

The National Health Service Finance (Wales) Act 2014 includes the responsibility for each Local Health Board to breakeven over a three-year accounting period and prepare plans to do so. The Minister for Health and Social Services and her officials regularly monitor performance against this duty and take escalation measures where necessary. Performance against this responsibility is reported as part of the audited accounts of each body.

Welsh Government's expectation is that wherever possible all MEGs meet any financial pressures arising in year, in the first instance, from within their existing budgets. Where this

is not possible, or where other revisions are made to budgets, we will publish changes in line with our agreed process for supplementary budgets.

Recommendation 6

The Committee recommends that the Welsh Government continues to ensure that local authorities have sufficient resources to enable them to provide support to those fleeing the war in Ukraine, irrespective of changes to funding from UK Government and also that consistent support is provided across Welsh local authorities.

Response: Accept in principle

Recognising the challenges that local authorities are facing, the Welsh Government's decisions in the Final Budget looked to target as much support as possible to health and local government to support pressures on frontline services and maintain effective public service delivery. The 2023-24 settlement sees an increase of £227m to the indicative allocations for 2023-24 published in the 2022-23 Final Budget and multi-year spending review, providing additional revenue funding for critical and valued local services such as prioritising schools and social care. This should ensure that local authorities have sufficient resources to meet their statutory obligations.

The UK Government has provided an integration tariff in respect of all individuals fleeing Ukraine through the humanitarian scheme for the first year of their arrival. Prior to January 2023 this was £10,500 per person, reducing to £5,900 per person from January 2023. Education tariffs have also been payable in the first year of arrival for young people aged 2-18. The UK Government has not paid an integration tariff or an education tariff for arrivals through the family route. There is no integration tariff or education tariff available from the UK Government for the second year of arrivals. This is out of kilter with other UK Government resettlement schemes where funding is generally made available in years two and three.

Education tariffs are passported directly to local authorities where young people are registered for school. Integration tariffs paid in respect of arrivals through the individual route are also paid directly to local authorities based on the area of residence of those individuals. Where individuals arrive through the super sponsor scheme; a proportion of the integration tariff is retained by Welsh Government to reflect the portion of time these individuals are

housed in welcome centres or other initial accommodation. This funding is used to partly offset the costs we incur in food, accommodation and to provide wrap around support funding to local authorities. When individuals move on from initial accommodation; the pro rata portion of the integration tariff is made available to local authorities based on the area of residence of the Ukrainian arrival.

Based on our current arrangements, all local authorities are able to claim their share of the tariffs retrospectively based on the number of Ukrainian guests in their localities. This offers a consistent basis of support that is equitable and reflects the different number of guests in different locations. Going forward we will continue to ensure a consistent approach is applied to all local authorities and that all are able to access support on the same basis.

In the absence of year 2 integration and education tariffs we are unable to make the same level of funding available to local authorities from our own resources which will sadly not stretch this far.

Whilst the UK Government has reduced the funding available to local authorities to levels far below what can be mitigated, we are determined to support councils to help everyone who needs a home in Wales. We remain committed to supporting our Ukrainian guests and will continue to meet the costs of initial accommodation for arrivals through the super sponsor route as well as costs associated with their wrap around care. This support will be met from the £40m budget available in 2023-24. We also have some funding set aside that will offer support to local authorities, although this will be on a reduced level to that currently available through the UK Government tariffs. In summary, our 2023-24 funding package includes:

- initial accommodation and wrap around services to new and existing arrivals under Welsh Government's super sponsor scheme.
- an uplift in the thank you payment to all hosts from £350 to £500 a month during their first year of hosting. The UK Government has recently announced that it will be increasing the second year thank you payment to £500 from April 2023.
- additional funding for local authorities to enable them to support Ukrainian guests to move on to longer term accommodation.
- a discretionary fund to support local authorities with specific, localised challenges.

Our goal is that this funding should provide a consistent service provision across all local authorities, tailored where necessary to local circumstances (eg use of the discretionary fund). However, this does not prevent local authorities making more generous provision for Ukrainians out of their own budgets should they so choose.

Recommendation 7

The Committee recommends that the Minister continues in her efforts to ensure that sufficient levels of funding is provided by the UK Government to support the humanitarian response resulting from the war in Ukraine.

Response: Accept

We have continually raised the issue of funding to support the humanitarian response resulting from the war in Ukraine with the UK Government, at bilateral meetings with successive Chief Secretaries to the Treasury, through the F:ISC, and in correspondence with the Chancellor of the Exchequer.

Over the course of the past year, we have pressed both the Chancellor and the Chief Secretary for parity with other resettlement schemes, for greater certainty around future funding and for higher and continuing tariff payments, as well as pressing the UK Government to take other steps to help with hosting, re-housing, including increasing Local Housing Allowance.

We also pressed for clarity on the UK Government Homelessness Prevention Fund to understand the quantum and caveats for Wales, and wrote jointly with Councillor Andrew Morgan, leader of the Welsh Local Government Association, to the Rt Hon Michael Gove MP Secretary of State for Levelling Up, Communities and Housing and Minister for Intergovernmental Relations and Felicity Buchan MP Parliamentary Under Secretary of State on this matter. We are expecting a response imminently.

Peter Fox OBE MS

Aelod o'r Senedd dros
Mynwy

Member of the Senedd for
Monmouth



Lesley Griffiths MS,

0300 200 7298

Minister for Rural Affairs and North Wales, and Trefnydd

@Peterfox_ms

Welsh Government

@PeterFox61

Peter Fox MS

4 May 2023

Dear Lesley,

Food (Wales) Bill: Updated financial information from the Scottish Government

I am writing to you regarding your letter to the Chair of the Finance Committee on 20 April. Thank you for copying me in to this letter.

I am grateful to you for continuing to engage with officials in the Scottish Government on the estimated costs of implementing their Good Food Nation (Scotland) Act 2022. As you rightly set out in your recent letter, some of the estimated costs for the Food (Wales) Bill set out in my Explanatory memorandum were based on assumptions using information gained from liaison with Scottish Government officials on their cost estimates for the Good Food Nation (Scotland) Bill. You will also be aware that I gave a commitment during the scrutiny of the Food (Wales) Bill that I would engage further with officials in the Scottish Government as the Food Bill progressed through the legislative process in the Senedd.

In your letter you set out increased estimated costs for the Good Food Nation (Scotland) Act that have been provided to you by Scottish Government. You go on to state that these increased costs in Scotland mean that *'the estimates quoted in the Explanatory Memorandum for the costs to the Welsh Government and public bodies in Wales of implementing the FWB, are certainly significant underestimates'*. While I am not disputing changes to estimated costs in Scotland, the statement you have made about the costs of the Food (Wales) Bill being significant underestimates is not accurate. The costs of implementing specific policy areas of the Food (Wales) Bill cannot simply be measured by comparing the figures across nations, without comparing other factors such as how the different provisions of the Bill / Act



work in practice.

Welsh Government costs

As set out in the Explanatory Memorandum, and as I explained during Committee scrutiny sessions, the plan I have envisaged for the Food (Wales) Bill is that the Food Commission, once established, would take a more prominent role in terms of the formation of the National Food Strategy, than it does in Scotland. This would result in lower costs for the Welsh Government than the equivalent work in the Scottish Government.

There also seems to be some confusion in the table in your letter. The Welsh Government cost of £20,960 set out in the EM is only for work to create the National Food strategy. In your letter you seem to suggest that this cost also includes Welsh Government work to establish the Food Commission, which is not accurate.

In the year the Food Commission is set up, the costs would be significantly lower for them as a body while they are set up and staff are recruited. However, for the purposes of the RIA cost estimate for the Food Commission in the first year were not reduced, this was to enable there to be resource to carry out all that was required in year 1. We anticipated that for those year 1 costs, rather than funding being provided by the Welsh Government to the Food Commission, those costs (such as those identified in your letter) would fall on the Welsh Government, but these costs will not be additional to the estimate in the RIA.

As an example, the [annual accounts 2017-18](#) show that for the Future Generations Commissioners for Wales expenditure (per month) for the first reporting period, of 14 months, was just under two-thirds of the costs for the second year. In a similar scenario for the Food Commission, calculating two-thirds of costs for the first financial year for the range of costs given in the Explanatory Memorandum, would mean Food Commission costs would be between £250,000 and £500,000 lower in the first year. As discussed with the Finance Committee, costs for establishing and initial work of the Commission will be covered within this funding figure for year 1, but could fall on Food Commission or Welsh Government staff.

	Financial period	
	01/02/2016 to 31/03/2017	01/04/2017 to 31/03/2018
Total Comprehensive Expenditure for the period	£000 1,102	£000 1,433
Length of period: months	14	12
Cost per month	78.7	119.4
Proportion of 2017-18 costs per month	66%	

Source: Future Generations Commissioner for Wales Annual Report 2017-18: Financial Statements page 1

Food Commission Costs

The costs of the Scottish Food Commission highlighted in your recent letter are higher than the Scottish Government's original estimate which had been provided to me (at the time of the scrutiny of the Good Food Nation (Scotland) Bill). However, as I also raised during scrutiny of my Bill, the size of the food sector in Scotland, number of public sector bodies and area are significantly larger, meaning there could naturally be a higher cost to the Food Commission in Scotland.

Notwithstanding the above, the updated Scottish cost estimates of £1.1 million per annum for the Food Commission falls just below the mid-point of the range of costs given in the RIA for the Welsh Food Commission, which we estimated could have a maximum range cost of £1.5 million per annum.

Food plans costs

The RIA for the Food (Wales) Bill clearly states that the costs included relate to the production of the Food Plans themselves and the further impact assessments will be needed when regulations are put forward. These costs are based on discussions we have had with practitioners in Wales. Discussions that we had with experts in the field in terms of implementation of food plans did suggest that, though dependent on regulations and how local authorities worked collaboratively, it would be fair to expect that there would be a need for approximately one officer per local authority to implement future food plans. However, this will be relevant to impact assessments that we suggested would be required when these regulations are made.

Again, the size of the food sector in Scotland, number of public sector bodies and area are significantly larger, meaning there could naturally be a higher cost in Scotland for the creation of local food plans.

As we move towards the Stage 1 debate for the Food Bill, I understand that there needs to be as much clarity as possible on the potential costs of the Bill. I look forward to receiving the report of the Finance Committee and responding to the Committee's recommendations ahead of the debate to help inform Senedd Members. However, I am not sure it is helpful to provide Senedd Members with updated

figures, as set out in your letter, without also providing the narrative needed to be able to understand how this fits with the aims of the Food Bill and how it will be implemented.

I am copying this letter to the Chairs of Finance and ETRA committees.

Kind regards,

A handwritten signature in black ink, appearing to read 'Peter Fox', written in a cursive style.

Peter Fox MS for Monmouth

Member-in-Charge, Food (Wales) Bill

Peredur Owen Griffiths MS
Chair, Finance Committee

5 May 2023

Annwyl Peredur,

I refer to the Finance Committee's report published on the 25 April with their findings and recommendations as part of Stage 1 scrutiny of the Health Service Procurement (Wales) Bill.

I would like to express my thanks to the Committee for scrutinising the Bill and its supporting documentation.

I have carefully considered the report and have set out in Annex A my responses to the committee's recommendations in advance of the Stage 1 General Principles Debate on the 9 May.

Yn gywir,



Eluned Morgan AS/MS
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Eluned.Morgan@llyw.cymru
Correspondence.Eluned.Morgan@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

ANNEX A

HEALTH SERVICE PROCUREMENT (WALES) BILL

WELSH GOVERNMENT RESPONSE TO THE FINANCE COMMITTEE'S STAGE 1 SCRUTINY REPORT 25 APRIL 2023.

Recommendation 1: The Committee recommends that the Welsh Government provides an assessment of the risks and financial impact of temporarily having two different health service procurement regimes operating in England and Wales

Response: ACCEPT IN PRINCIPLE

At the time of producing the Explanatory Memorandum and Regulatory Impact Assessment to support the introduction of the Bill it was not considered practicable to attempt to undertake a full detailed financial assessment of the proposed new health service procurement regime. This is because, without knowing the full extent of the required changes to existing procurement procedures, governance and regimes as a result of the Bill; the health services in scope and the way they are currently procured between the NHS and local authorities in Wales, it is not possible to quantify the financial impact of the new regime in an accurate and meaningful way.

The information in the Explanatory Memorandum and Regulatory Impact Assessment therefore set out a 'best estimate' of the financial impacts of the Bill and the introduction of a new procurement regime for health services in Wales, based on the best available evidence and information at that point in time.

Therefore, it is considered that this is also the case when seeking to assess the risks and financial impacts of temporarily having two different health service procurement regimes operating in England and Wales.

In noting the committee's recommendation around this, my officials will continue to work with the 'relevant authorities' and stakeholders that that will be affected by the introduction of the Bill, to explore if the impact of temporarily having two different health service procurement regimes operating in England and Wales can be meaningfully quantified. In any event, my officials will seek to provide the best available evidence and as much information as practically possible on the financial impacts and present as part of our commitment to undertake a full Regulatory Impact Assessment for the future regulations.

Recommendation 2: The Committee recommends that the Welsh Government provides a full and robust Regulatory Impact Assessment for any regulations made as a result of the Health Service Procurement (Wales) Bill and that sufficient time is provided to allow the Senedd to consider any related financial implications that will arise.

Response: ACCEPT

Following on from the response above in Recommendation 1 and in line with requirements under Standing Order 27 of the 'Standing Orders of the Welsh Parliament' and the policy set out in the Welsh Ministers' RIA Code for Subordinate Legislation, we are fully committed to undertaking a Regulatory Impact Assessment, using the best available evidence to include within the Explanatory Memorandum that will accompany the future regulations.

The proposed future regulations will follow the 'draft affirmative process', allowing the Senedd the appropriate timeframe to consider the draft regulations and supporting documentation, including the Regulatory Impact Assessment.

Recommendation 3: The Committee recommends that the Welsh Government provides information on how it will explore with stakeholders:

- ***the estimated familiarisation and implementation costs to local authorities and service providers,***
- ***the estimated cost savings to procuring authorities, providers and service users, and***
- ***the ongoing costs of the new regime.***

Response: ACCEPT IN PRINCIPLE

As outlined in Recommendation 1 above, the Explanatory Memorandum and Regulatory Impact Assessment produced when introducing the Bill, set out a 'best estimate' of the financial impacts of the Bill.

It is acknowledged that there are likely to be costs associated with the familiarisation and ongoing implementation of the proposed new health service procurement regime for relevant authorities (including local authorities) and service providers.

However, it is difficult to quantify the full financial impact of the new regime to provide an accurate assessment of the financial impacts this stage, as those costs are unknown. Further analysis of costs will be undertaken in coming months as part of the detailed development of the future regulations, including measures to understand any cost savings and ongoing costs for implementation of the proposed new procurement regime. As such, my officials will seek to provide best available evidence and as much information as practically possible as part of the commitment to undertake a full Regulatory Impact Assessment as part of scrutiny for the future regulations.

Recommendation 4: The Committee recommends that the Welsh Government clarifies its approach to monitoring and reviewing the implementation of the Health Service Procurement (Wales) Bill, including the proposed timescales

Response: ACCEPT

As set out in the Explanatory Memorandum, the Welsh Government is committed to monitoring and reviewing the implementation of this Bill, together with the impacts of its provisions, in the post implementation period.

I note the committee's recommendation and will seek to ensure that provisions are built into statutory guidance for the new regime that will monitor the use and effectiveness in a timely manner.

During the development of the future regulations and statutory guidance, my officials and I will consider the most meaningful methods for monitoring the implementation of the Bill's outputs, being mindful of ongoing stakeholder feedback on the effectiveness of the proposed new regime, and alignment with any future changes instigated by the Department of Health and Social Care under their Provider Selection Regime.

Russell George MS
Chair, Health and Social Care Committee
Senedd Cymru
Cardiff
CF99 1SN

SeneddHealth@senedd.wales

5 May 2023

Dear Russell,

Thank you for the opportunity to provide evidence to the Health and Social Care Committee on the 30 March in respect of the Health Service Procurement (Wales) Bill.

I have taken the opportunity to consider the transcript of the session, where a number of questions were raised by Committee Members to explore the provisions in the Bill for transparency and competitive tendering as part of the proposed new health service procurement regime in Wales.

Paragraphs 145-146 and 176-177 of the transcript detail the discussion on the steps that will need to be followed as part of a competitive tendering exercise under the future procurement regime, and in particular, how these matters are addressed on the face of the Bill.

I would like to provide clarity on how the Bill will address this matter.

Section 10A(2) of the NHS (Wales) Act 2006, as would be inserted by section 3(2) of the Bill, includes a provision to ensure that the future regulations must specify the steps to be taken when following a competitive tendering process. In addition, section 10A(3) states that future regulations must make provision for the purposes of ensuring key procurement principles of transparency and fairness, as well as ensuring compliance can be verified and manage conflicts of interest.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Eluned.Morgan@llyw.cymru
Correspondence.Eluned.Morgan@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

As such, the face of the Bill itself does not set out the detailed steps that 'relevant authorities' need to take when following a competitive tendering process and ensure transparency under the proposed new procurement regime – these steps will be included as part of the detail in the future regulations. Having reviewed the transcript of the session and responses to these matters, I wanted to take the opportunity to clarify these points for accuracy.

If there are any further questions or areas requiring clarification, my officials and I are happy to provide information as necessary to support the Bill as it navigates the Senedd scrutiny process.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee and Chair of the Finance Committee for information.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "M. E. Morgan". The signature is fluid and cursive, with a horizontal line extending to the right.

Eluned Morgan AS/MS

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol

Minister for Health and Social Services



HM Revenue
& Customs

Jonathan Athow
Director General
Customer Strategy & Tax Design
100 Parliament Street
London
SW1A 2BQ

By email only

09 May 2023

Dear Peredur,

I am writing to you in my capacity as the Additional Accounting Officer for Welsh rates of income tax (WRIT) in HMRC.

HMRC administers WRIT on behalf of the Welsh Government, and we work closely with them to ensure that we are meeting their requirements and administering WRIT effectively.

My predecessor, Ruth Stanier, gave evidence to the Finance Committee on HMRC's administration of WRIT in November 2019. I recently met with Andrew Jeffreys, Director of the Welsh Treasury, and we agreed that another such session might be beneficial in ensuring members of the Senedd have the opportunity to scrutinise HMRC's administration of WRIT. Should the Finance Committee like to take evidence from HMRC on WRIT, now or in the future, I would be very happy to attend.

If the committee would prefer a less formal session to gain greater understanding of HMRC's work to administer WRIT, then HMRC officials involved in that work would be happy to deliver an informal session to the committee and answer any questions.

Please let me know if either of these sessions would be of interest to the Finance Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'JA', on a light yellow background.

Jonathan Athow,
Director General, Customer Strategy & Tax Design

Paul Davies, MS

Chair of the Economy, Trade and Rural Affairs Committee

Huw Irranca-Davies MS

Chair of the Legislation, Justice & Constitution Committee

Peredur Owen Griffiths MS

Chair of the Finance Committee

9 May 2023

Dear Chairs

Agriculture (Wales) Bill – Stage 3 Explanatory Memorandum update

Ahead of the Stage 3 debate on the Agriculture (Wales) Bill on 16 May. I wish to inform you I have today tabled an updated version of the Explanatory Memorandum (EM) for the Bill. Revisions have been made throughout the EM reflecting the commitments I gave in response to a number of Stage 1 Committee recommendations and to reflect the Bill as amended at Stage 2.

In addition a further update to the EM has been included with the removal of paragraph 7.874 (within the EM as introduced) as we understand it does not reflect Rentokill's current policy.

The EM will be updated to reflect the Bill as amended at Stage 3 and will also include an amendment in response to the WWF petition.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I thought it would be helpful to provide detail in relation to the following Committee recommendations, so you are assured these have been appropriately dealt with:

Economy, Trade and Rural Affairs Committee (ETRA)

In response to ETRA Committee recommendations 15 and 16 revisions have been made to EM Part 1.

Recommendation 15: Revisions have been made to the narrative text to indicate that there will be an expectation on Ministers to review previous SoNaRR reports if deemed necessary (see Part 1, Chapter 3, paragraph 3.89).

Recommendation 16: Further clarity, where appropriate, by way of additional examples of the varying scope of 'ancillary activities' have been provided within the updated EM (see Part 1, Chapter 3, paragraphs 3.316 to 3.318).

Finance Committee

In response to Finance Committee recommendations, revisions have been made to the narrative text of the EM Part 2 - Regulatory Impact Assessment (RIA).

Recommendation 2: We have added further information relating to the Wales Rural Development Programme elements not included in the RIA at introduction of the Bill (see Part 2, Chapter 7, Paragraphs 7.338 to 7.341).

Recommendation 4: Where possible, additional information has been included for the unquantified costs, and uses previous experience to provide a sensitivity analysis to show the potential range of costs (see Part 2, Chapter 6, Unquantified Costs and Disbenefits table).

As I stated in my response to the Committee for some of the powers being taken in the Bill it is not possible to quantify costs, for example we cannot know when a crisis might occur, and on what scale, so we cannot plan for all expected costs.

Recommendation 7: As part of the post-implementation review, additional text has been added to the 'next steps' section in order to give further clarity around quantifying the benefits arising from the Bill (see Part 2, Chapter 7, paragraphs 7.623 to 7.625).

Recommendation 8: Further details of the IT development costs have been provided (see Part 2, Chapter 7, paragraph 7.359 and table 44). These costs are estimates based on our initial assessment of options relating to the delivery of the current scheme design proposals.

Legislation, Justice and Constitution Committee (LJC)

In response to LJC Committee recommendations, revisions have been made to the EM Part 1.

Recommendation 6: A number of updates have been made to the Explanatory Memorandum as a means of explaining clearly the purpose of Parts 1, 2 and 3 of the Bill and what each is seeking to achieve (these have been made throughout Part 1, Chapter 3).

Recommendation 8: The Explanatory Memorandum has been reviewed and updated, as appropriate, to provide further clarity on the relationship between Part 1 and Part 2 of the Bill for stakeholders (see Part 1, Chapter 3, paragraph 3.39).

Stage 2 Amendments

Revisions have been made to the EM and Explanatory Notes (EN) to include all amendments made to the Bill following conclusion of Stage 2 ETRA Committee meeting held on 23 March.

SLM first objective: The EM has been updated to reflect the amendment made to the first objective. This highlights the link between the production of food and other goods in a sustainable way, and the resilience of agricultural businesses (see Part 1, Chapter 3, paragraph 3.44 and Explanatory Notes).

Power to Provide support – additional purposes: The EM and RIA have been updated to reflect the amendment made to the list under Section 8, adding in 3 new purposes for which support may be provided (see Part 1, Chapter 3, paragraph 3.102 to 3.118 and also Part 2, Chapter 7, paragraphs 7.575 to 7.622 and Explanatory Notes).

Amendment to Enforcement provisions in Sections 11, 31, 32 and 33: The EM has been updated to reflect the amendments to these sections achieving consistency in drafting throughout the Bill (see Part 1, Chapter 3 and Explanatory Notes).

Changes to the Affirmative Procedure Sections 15-18 and 22: The EM has been updated to reflect the amendments to these sections to state they are made by way of the Affirmative Procedure. The table in Chapter 5 has also been updated to reflect these amendments (see Part 1, Chapter 3 and also Chapter 5, table 5.1).

Agricultural Business definition in Section 48: The EM has been updated to reflect the amendment made to the 'meaning of Agriculture' to include agricultural businesses (See Part 1, Chapter 3, paragraph 3.315).

Schedule 3 commencement of Part 4 of Schedule 7 Agriculture Act 2020 on 13 December 2022: The ENs have been updated to reflect the now obsolete references to the relevant paragraphs.

Regards

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd



Llywodraeth Cymru
Welsh Government

Peredur Owen Griffiths MS
Chair of the Finance Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

12 May 2023

Dear Peredur,

One of the recommendations in Finance Committee's Stage 1 report on the Social Partnership and Public Procurement (Wales) Bill was for Welsh Government to include inflation in the cost estimates accompanying future Bills.

Welsh Treasury officials have considered the recommendation and the financial information currently presented in the Explanatory Memorandum (EM) for each Bill. Officials have concluded that the current approach to developing the Regulatory Impact Assessment (RIA) remains correct. HM Treasury Green Book guidance is clear that general price inflation should be removed from a social cost benefit analysis. The rationale for removing general price inflation is to provide a consistent basis for comparing the costs and benefits of alternative options and ensures the effects of inflation do not distort the analysis.

However, officials further concluded that providing supplementary financial analysis which focusses on affordability should address the Committee's recommendation. This approach will also help to demonstrate that both value for money and affordability are given appropriate consideration during the development of legislation.

In addition to incorporating general price inflation, the affordability assessment will make a number of other adjustments to the data in the RIA, focussing on capital and revenue costs and including an assessment of whether those costs can be funded from current and expected future budgets.

This supplementary financial information will be included in the EM for each Bill introduced from Year 3 of the current legislative programme. The current approach of developing an RIA and presenting it in the EM will not change.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I would like to take this opportunity to thank the Committee for its continued scrutiny of the financial implications of Welsh Government legislation and hope the approach set out above will assist Members in carrying out this important work.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans." The signature is written in a cursive style.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

—
**Legislation, Justice and
Constitution Committee**

—
Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddLJC@senedd.wales
senedd.wales/SeneddLJC
0300 200 6565

Peredur Owen Griffiths MS
Chair, Finance Committee

12 May 2023

Dear Peredur,

UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021-2027

As you are aware, the Legislation, Justice and Constitution Committee is responsible for monitoring the implementation of non-trade international agreements in the Sixth Senedd.

During our meeting on 24 April 2023, we considered the UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021-2027. This agreement provides a mechanism for the UK, Ireland and the EU to jointly fund PEACE PLUS, the EU cross-border peace funding programme. This international agreement will govern the implementation of the PEACE PLUS programme and the parties' contributions.

During our consideration of the agreement, we agreed to draw the agreement to the attention of your Committee as it has undertaken an inquiry into post-EU funding arrangements. We also agreed to draw the agreement to the attention of the Culture, Communication, Welsh Language, Sport and International Relations Committee, and the Economy, Trade and Rural Affairs Committee, as those committees are currently undertaking work on post-Brexit EU funding arrangements.

Our latest report is enclosed for your information.

Yours sincerely,



Huw Irranca-Davies
Chair

International agreements

Agreements considered on 24
April 2023

May 2023



1. Background

- 1.** The [Legislation, Justice and Constitution Committee](#) is responsible for the scrutiny of non-trade international agreements in the sixth Senedd.
- 2.** International agreements signed by the UK Government can cover matters within devolved competence or matters which have important policy implications for Wales.
- 3.** The Committee will consider the impact on Wales of international agreements laid in the UK Parliament under the process established by the [Constitutional Reform and Governance Act 2010](#) (CRaG Act 2010). It provides an initial 21-day scrutiny period.
- 4.** Our consideration of an international agreement takes into account:
 - whether it engages the Senedd's competence; and/or
 - whether there are potential policy implications for Wales.
- 5.** On 24 April 2023¹ we considered two international agreements that had recently been laid in the UK Parliament:
 - [UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021-2027](#)
 - [UK-INTERPOL: Agreement on the Privileges and Immunities of INTERPOL on the Territory of the UK](#)
- 6.** We agreed to take further action in relation to one of the agreements. Details on each of the agreements and our respective actions are set out below.

¹ [Legislation, Justice and Constitution Committee, 24 April 2023](#)

2. Agreement requiring further action

UK/Ireland/EC: Financing Agreement on the PEACE PLUS Programme 2021-2027

- 7.** This international agreement was laid in the UK Parliament on 24 March 2023. Its scrutiny deadline, as required by the CRaG Act 2010, is 18 May 2023.
- 8.** This agreement provides a mechanism for the UK, Ireland and the EU to continue to jointly fund cross-border activities that promote peace and reconciliation and contribute to cross-border economic and territorial development of the Northern Ireland-Ireland border region post-Brexit.
- 9.** Prior to its withdrawal from the EU, the UK committed to continue to fund PEACE PLUS, the EU cross-border peace funding programme, along with Northern Ireland, Ireland and the EU. This international agreement will govern the implementation of the PEACE PLUS programme and the parties' contributions.
- 10.** The agreement relates to international relations which is a reserved matter for the purposes of Schedule 7A to the *Government of Wales Act 2006*. "International relations" includes relations with territories outside the UK and relations with the EU and its institutions.
- 11.** The Explanatory Memorandum to the agreement does not refer to devolution; however, the UK Government notes that the Department of Finance in Northern Ireland was included in the negotiation of the Treaty and that a draft text was shared in advance of signature.²
- 12.** As the Finance Committee, the Culture, Communications, Welsh Language and International Relations Committee, and the Economy, Trade and Rural Affairs Committee have all undertaken, or are in the process of undertaking, work on post-Brexit EU funding arrangements, we agreed to draw this agreement to the attention of these Senedd committees.

² UK Government, [Explanatory memorandum: UK/Ireland/EC: Financing Agreement on the Peace Plus Programme 2021-2027](#), March 2023, paragraph 10.1

3. Agreement noted for information

UK-INTERPOL: Agreement on the Privileges and Immunities of INTERPOL on the Territory of the UK

13. This international agreement was laid in the UK Parliament on 24 March 2023. Its scrutiny deadline, as required by the CRaG Act 2010, is 18 May 2023.

14. This agreement grants the International Criminal Police Organisation (INTERPOL), its officers, officials and country representatives certain privileges and immunities covering their activities in the UK. This is a requirement for the UK to host the 2024 INTERPOL General Assembly, however, this agreement is also intended to provide a long-term framework governing the privileges and immunities of INTERPOL in the UK.

15. The agreement relates to international relations which is a reserved matter for the purposes of Schedule 7A to the *Government of Wales Act 2006*. “International relations” includes relations with international organisations such as INTERPOL.

16. The Explanatory Memorandum states that:

“In light of the operational impacts of such privileges and immunities on matters that may be devolved such as justice or policing, the UK Government consulted the Devolved Administrations.”³

17. As justice and policing are not devolved in Wales, this implies that only the Scottish Government was consulted, as the Explanatory Memorandum also states that the Scottish Government will prepare a second and parallel Order in Council to the UK Government’s.⁴

18. As the operational impacts of such privileges and immunities will not impact on devolved areas in the same way in Wales as they will in Scotland, we agreed to note the agreement for information only.

³ UK Government, Explanatory Memorandum: Agreement on the Privileges and Immunities of INTERPOL on the Territory of the UK, March 2023, paragraph 10.2

⁴ UK Government, Explanatory Memorandum: Agreement on the Privileges and Immunities of INTERPOL on the Territory of the UK, March 2023, paragraph 10.3



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: CG/PO/146/2023

Huw Irranca-Davies MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

17 May 2023

Inter-Institutional Relations Agreement: Inter-Ministerial Standing Committee

I am writing, in accordance with the inter-institutional relations agreement to notify you of the fourth meeting of the Inter-Ministerial Standing Committee, which will take place later today.

The Standing Committee will be chaired by the Secretary of State for Levelling Up, Housing and Communities (and Minister for Intergovernmental Relations). I will represent the Welsh Government at the meeting.

In this virtual meeting I anticipate the discussion will focus on UK legislation, Investment Zones, and Common Frameworks.

I will provide an update after the meeting.

I have also copied this letter to the Finance Committee and the Economy, Trade and Rural Affairs Committee.

Mick Antoniw AS/MS

Y Cwnsler Cyffredinol a Gweinidog y Cyfansoddiad
Counsel General and Minister for the Constitution

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Mick.Antoniw@llyw.cymru
Correspondence.Mick.Antoniw@gov.Wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Peredur Griffiths MS,
Chair of Finance Committee

0300 200 7298 

@Peterfox_ms 

@PeterFox61 

Peter Fox MS 

19 May 2023

Dear Peredur,

Food (Wales) Bill: response to the Finance Committee's Stage 1 report

I would like to thank the Finance Committee for their scrutiny of the Food (Wales) Bill ("the Bill") during Stage 1 and for the report which was published on 12 May 2023.

I have set out my response to the Committee's conclusions and recommendations at Annex A. Where conclusions have been made, or where recommendations are aimed at Welsh Government rather than for me as the Member in Charge of the Bill, I have noted these, but have included my own thoughts in response where appropriate.

While it has not been possible for me to accept all of the Committee's recommendations, I hope you will find this response useful. I will also be writing to the Chairs of the Economy, Trade and Rural Affairs Committee and the Legislation, Justice and Constitution Committee with respect to their Stage 1 Reports, and will copy the letters to all three Committee Chairs.

Kind regards,



Peter Fox MS for Monmouth
Member-in-Charge, Food (Wales) Bill

Response from Peter Fox, MS to the Finance Committee's Report on the Food (Wales) Bill

Conclusion 1. The Committee is disappointed with the lack of information on a number of elements of the Bill and therefore is unable to draw a conclusion as to whether the resources are adequate and reasonable to deliver the legislation. We have made a number of recommendations and should this Bill proceed we would expect to see the information requested included in an updated Regulatory Impact Assessment following Stage 2 proceedings.

Conclusion 2. We reiterate previous calls that Regulatory Impact Assessments must contain the best estimate possible for costs and benefits to enable us to fully scrutinise the overall financial implications of a Bill. This includes all Bills introduced in the Senedd by the Welsh Government, individual Members and Committees.

Response: Noted

I understand the Committee's disappointment that there may have been a lack of information on the costs of some elements of the Bill. However, as an individual Member it would be almost impossible to provide accurate costs for elements of a Bill that are subject to a future national strategy and subsequent regulations, without having considerable engagement with Welsh Government officials sanctioned by the Minister.

The Bill was deliberately drafted as a framework Bill, giving flexibility for Welsh Government around the implementation of key provisions. This would include (for example) for the detail contained in future Regulations. Allowing Welsh Government to have control over this 'secondary' phase was essential. While it was possible to engage with stakeholders to estimate the administrative costs of the Bill, it would not have been possible for me to provide accurate costs for many elements of the Bill.

I agree with the Committee's view that RIAs must contain the best estimate possible for costs and benefits. However, in agreeing this, it must be borne in mind that the best estimate that is 'possible' for individual Members to include for their Bills is likely to be less comprehensive than the estimates that Welsh Government themselves could bring forward. In relation to the Food (Wales) Bill, I believe that the estimates I provided were the best estimates that were possible with the resources available to me as an individual Member of the Senedd.

Recommendation 1. The Committee recommends that in future, the Welsh Government commits to assisting individual Members and/or Committees proposing legislation by providing relevant financial information prior to a Bill's introduction to ensure that costs in Regulatory Impact Assessments are as comprehensive and detailed as possible.

Response: Noted

As outlined in my response to Conclusions 1 and 2, it would be almost impossible for individual Members to provide accurate, or sometimes any, costs for certain elements of a Bill, which are subject to future regulation making powers based on a yet to be formed national strategy, without having assistance from Welsh Government. However, I can also see the difficulty from the Government's perspective in providing those costings prior to introduction. This recommendation would have resource implications for Welsh Government in providing that assistance.

As I said during scrutiny, there was always going to be a need to provide flexibility for Welsh Ministers and the Food Commission to give direction on important elements of the Bill – much of which would require Regulations to be made later.

In relation to the costs included for those elements of the Bill that are not subject to future Regulation, I believe these have been costed to the best of my ability. I would like to thank all the people who helped out on costings, in organisation across Wales and officials in Scotland. The engagement we had with those organisations was very helpful.

Recommendation 2. The Committee recommends that the Member in Charge reassess and updates the costs in the Regulatory Impact Assessment based on the latest costs provided by the Scottish Government for The Good Food Nation (Scotland Act 2022)

Response: Accept

As the Committee will already be aware, I gave a commitment during the scrutiny of the Food (Wales) Bill as Stage 1 that I would engage further with officials in the Scottish Government as the Bill progressed through the legislative process in the Senedd. I also refer the Committee to my letter to the Minister for Rural Affairs and North Wales, and Trefnydd dated 4 May – where I reiterate this commitment. I appreciate the Committee including reference to that letter of 4 May in this Stage 1 report despite it being sent late in the Stage 1 timetable.

Recommendation 3. The Committee recommends that the Member in Charge liaises with the Welsh Government in relation to the scale and scope of the Food Commission, including the number of staff required to support it and updates the Regulatory Impact Assessment.

Response: Accept

I would very much welcome the opportunity to discuss the scale and scope of the Food Commission as the Bill progresses through the legislative process. Should the Regulatory Impact Assessment require updating as a result, I will work with Welsh Government to provide updated information and include it in a revised RIA.

Conclusion 3. The Committee is unable to reach a view, on whether the Bill would create duplication with the Well-being and Future Generations (Wales) Act 2016 and if the Future Generations Commissioner for Wales has the expertise or capacity to undertake the necessary work relating to the Bill, given the lack of information available on this issue.

Response: Noted

It is disappointing that the Committee could not reach a view on this. I strongly believe, as did a number of key stakeholders during Stage 1 scrutiny, that the Food (Wales) Bill and the Well-being and Future Generations (Wales) Act would align with each other, and act in a complimentary way. The Future Generations Commissions would also have a role to play in helping to shape, for example, the National Food Strategy going forward.

In terms of whether the Future Generations Commissioner for Wales has the expertise or capacity to undertake the necessary work relating to the Bill, it was very clear to me from discussions I had with the Commissioner that she did not believe this to be the case. This is something that I raised specifically during Stage 1. I have not had opportunity to discuss the Bill with the new Future Generations Commissioner, but would be happy to do so as the Bill progresses through the process.

Recommendation 4. The Committee recommends that the National Food Strategy is accompanied by a full impact assessment and that the Welsh Government ensures the Senedd will have the opportunity to scrutinise any costs associated with it.

Response: Noted

Although this is not a requirement set out on the face of the Bill, it should be the expected practice that the Welsh Government would undertake an impact assessment of any new 'policy' it implements. This would include the development and implementation of the National Food Strategy.

Recommendation 5. The Committee recommends that the Member in Charge undertakes further work analysing the cost benefits of the Bill and that the Regulatory Impact Assessment should be updated to include further information on these benefits, including how they will be analysed and when they are anticipated to be delivered.

Response: Reject

As I outlined in my response to conclusions 1 and 2, it is extremely difficult for individual Members to provide accurate costs on every element of the Bill without assistance from the Welsh Government. The same principle applies to the potential benefits, as much would depend on the implementation of the Act. I believe that the information I provided on the cost benefits was as full as it could be at that time.

This also links through to Recommendation 4, where the Committee has called for a full impact assessment of the National Food Strategy. The full costs and benefits will be best assessed alongside the National Food Strategy and the impact assessment produced.

It is also likely that the Bill will be amended at Stages 2 and 3, which would have an impact on the potential costs and benefits. So again, these would be best re-assessed once the amending stages are complete.

Recommendation 6. The Committee recommends that the Member in Charge provides details of the public bodies that are already undertaking work to implement local food plans, and uses this information to calculate a potential range of costs arising from the Bill. This information should be included in a revised Regulatory Impact Assessment.

Response: Accept in part

The Explanatory Memorandum that accompanied the Bill on introduction provides examples of public bodies that already undertake work on local food plans / community food strategies, etc. However, I can see the benefit in expanding this information so will update the RIA with further details and publish as part of the revised RIA after Stage 2 of the process.

However, as set out in the RIA (para 326) it was not possible to quantify the cost of **implementing** local food plans without knowing the full detail of what is required in those plans. The detail of local food plans:

- (a) must set out how the 'food targets' would be achieved, but those targets would be set by Regulation later in the process, and
- (b) must also have regard to the National Food Strategy.

To provide accurate costs – or even an accurate range of costs – for the implementation of local food plans would therefore not be possible as those required details are not yet known.

This part of the recommendation is therefore rejected. This links back to the issues raised in Recommendation 4 where costs link back to the Strategy.

Recommendation 7. The Committee recommends that the Member in Charge updates the costing of the Regulatory Impact Assessment over a ten-year appraisal period to allow the inclusion of more complete costs relating to local food plans.

Response: Reject

As set out in the report, the Committee is concerned 'that the costs in relation to the five-year review of food plans will fall outside the timeframe of costing of this impact assessment'.

In relation to the five-year review of local food plans, these would be required before the end of a period of 5 years beginning with the day the first plan is published. The plans themselves must be made within 2 years of the Act coming into force. Therefore within a ten-year appraisal period, there would be only one review of local food plans.

As the Committee will be aware, providing costs over a 5 year period was consistent with previous Member Bills. While I knew that the five-year review period would be outside this, the RIA did set out an estimate for the review of local food plans. Para 381 of the EM states:

"The strategy must be reviewed every 5 years. This would fall outside the 5 year timeframe for estimating costs. However, the costs would not be significant. For example, the Good Food Nation Bill estimated that their 5 year update and consultation around their strategy would cost between £12,549 and £17,549."

Including this information within a ten-year appraisal period would not provide any additional detail on the potential estimate for the review of local food plans.

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

—
**Economy, Trade and
Rural Affairs Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddEconomi@senedd.cymru
senedd.cymru/SeneddEconomi
0300 200 6565

—
Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddEconomy@senedd.wales
senedd.wales/SeneddEconomy
0300 200 6565

Lesley Griffiths MS
Minister for Rural Affairs and North
Wales, and Trefnydd

31 May 2023

Food (Wales) Bill

Dear Lesley,

I am writing following the fall of the Food (Wales) Bill on 24 May. I was pleased to hear in the debate that you support the broad aims of the Bill and you want to build on the momentum Peter Fox has built up around food policy with this Bill. As outlined in our report, the Committee also fully supported the policy aims of the Bill.

As you are aware, we drafted the Committee report on the general principles to include policy recommendations that could be pursued if the Bill fell. Please can you outline your plan to capitalise on the momentum created by Peter and respond to our recommendations 2, 4, 6, 8, 9, 10, 12, 16, and 17?

I have also copied this letter to Peter Fox in his capacity as the Member in charge of the Bill, Huw Irranca-Davies in his role as Chair of the Legislation, Justice, and Constitution Committee, and Peredur Owen Griffiths in his capacity as Chair of the Finance Committee.

Kind regards,



Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee

Agenda Item 2.13

Eluned Morgan AS/MS
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cymru
Welsh Government

Russell George MS
Chair, Health and Social Care Committee

Huw Irranca-Davies MS
Chair, Legislation, Justice and Constitution Committee

Peredur Owen Griffiths MS
Chair, Finance Committee

24 May 2023

Dear Chair,

The Health Service Procurement (Wales) Bill – Stage 2 Government Amendment

Today I have tabled a Government Amendment for Stage 2 of the Health Service Procurement (Wales) Bill. The Purpose and Effect table (copy attached at **Annex A**) provides an explanation of the amendment.

The amendment is in response to Scrutiny Committee recommendations; in particular in response to Health and Social Care Committee recommendation 5 and Legislation, Justice and Constitution Committee recommendation 4. These two recommendations have been considered together, as both seek to place a duty to consult in relation to regulations made under s.10A(1) of the National Health Service (Wales) Act 2006 (to be introduced by section 3 of the Bill) on the face of the Bill.

In the General Principles debate on the 9 May and in the follow up correspondence to the Chairs of both Health and Social Care Committee and Legislation, Justice and Constitution Committee, I indicated that whilst we were unable to fully accept the suggested wording in the two recommendations, I was happy to accept in principle, both committees recommendations. As such, I have brought forward an amendment at Stage 2 which places a requirement on the face of the Bill for the Welsh Ministers to consult before making regulations under s.10A(1). The intention of the proposed Government amendment is to provide a middle-ground between the two recommendations proposed by both Committees.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Eluned.Morgan@llyw.cymru
Correspondence.Eluned.Morgan@gov.wales

I would like to take the opportunity again to reiterate my thanks to all three Committees for scrutinising the Bill and it's supporting documentation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M. E. Morgan'.

Eluned Morgan AS/MS

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

THE HEALTH SERVICE PROCUREMENT (WALES) BILL – STAGE 2 GOVERNMENT AMENDMENT

This table provides information about the amendment tabled in the name of Eluned Morgan MS on 24 May 2023.

No.	GOVERNMENT AMENDMENT	GWELLIANT Y LLYWODRAETH	PURPOSE AND EFFECT
1.	Section 3, page 2, after line 19, insert— ‘() Before making regulations under subsection (1), the Welsh Ministers must carry out such consultation as they consider appropriate.’	Adran 3, tudalen 2, ar ôl llinell 19, mewnosoder— ‘() Before making regulations under subsection (1), the Welsh Ministers must carry out such consultation as they consider appropriate.’	The purpose of this amendment is to amend the section of the Bill which inserts a new section (10A) into the National Health Service (Wales) Act 2006, which enables Ministers to make regulations in relation to the procurement of health services in Wales. The effect of this amendment is to add a requirement that the Welsh Ministers carry out such consultation as they consider appropriate before making regulations under s.10A(1).

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru
Tŷ Hywel
Cardiff Bay
CF99 1SN

24 May 2023

Dear Peredur

When I wrote to you previously with regard to the Commission's response to the Finance Committee's recommendations made in the **Report on the Scrutiny of the Senedd Commission Draft Budget 2023-2024**, I committed that the Commission would provide further information in relation to Recommendation 7 when it became available. This is set out in **Annex 1**.

I would like to thank the Committee for its scrutiny and further updates relating to your Committee's recommendations will be provided in due course.

Yours sincerely



Ken Skates MS

cc Senedd Commissioners, Manon Antoniazzi, Ed Williams

Croesewir gohebiaeth yn Gymraeg neu Saesneg / We welcome correspondence in Welsh or English



Annex 1 - Finance Committee Recommendations

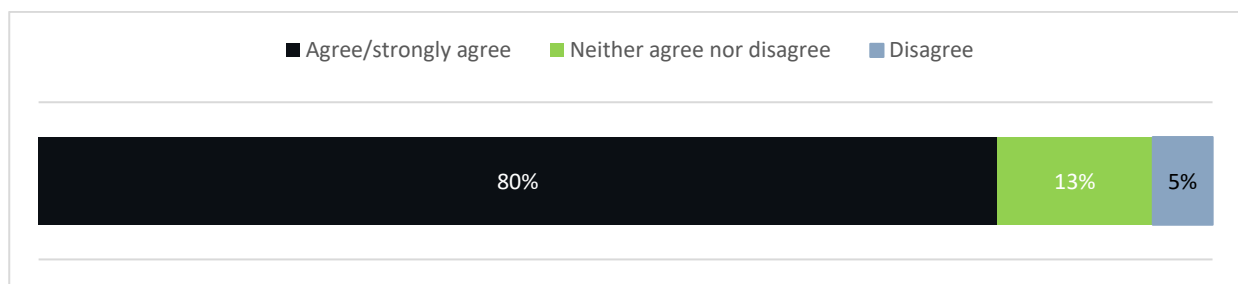
Recommendation 7

The Committee recommends that the Senedd Commission puts steps in place to evaluate the effectiveness of the initiatives it has introduced to mitigate the impact of cost of living pressures on staff and shares its findings from such reviews.

In early 2023, the Commission introduced a one off 'Cost of living' payment for people earning £32,000 or less in Team Support and EO roles, to provide support as a result of the cost of living crisis. The amount was for £500 in total, payable in three parts in January, February and March.

Recognising current financial pressures, Executive Board set the threshold for eligibility to receive the payment with the aim of including as many staff as possible while also recognising that the greatest impact of cost-of-living pressures is felt by those on the lowest incomes. ONS research demonstrates that cost of living pressures are greatest for those on or below the UK average FTE salary (£32,000). The Executive Board therefore set eligibility at this FTE salary level.

The Executive Board conduct a regular Wellbeing 'pulse survey', which supports the evaluation of its initiatives in this area. The most recent survey was held March-April 2023 and as part of this, respondents were asked to indicate whether they had received the Cost of Living payment. 95 respondents stated they had received this, and responses to the question '**To what extent did you find the cost of living payment beneficial?**' are shown below:*



**Does not total 100% due to some 'prefer not to say' responses*

Anecdotely, there were a lot of positive responses from staff on the introduction of this initiative, with Trade Unions providing formal recognition in the January 2023 TUS/Management side Partnership Forum where they noted formal thanks for this initiative.

Of the 11 people who replied to the question '**Was there any impact of receiving the cost of living payment on any benefits you may receive?**', 6 stated there was no impact, 2 stated there was a negative impact, and 3 stated there was a positive impact



A question was also asked: ***'Is there any feedback you want to provide regarding the cost of living payments?'*** and a summary of the most common responses is below :

Payment was appreciated	Wasn't enough to make any real difference	Should be reflected in basic salaries	Would have been more helpful if not subject to tax/NI	Lack of parity with MSS payment
				Helped pay bills

The Wellbeing Pulse Surveys also measure responses to the question: ***'To what extent do you agree that the Senedd provides enough support and information to staff regarding financial support and options available, including advances, savings, pension and other support.'***

Since the start of Autumn term 2022, the Commission has put in place a number of initiatives to improve awareness of existing schemes and introduce others.

These include:

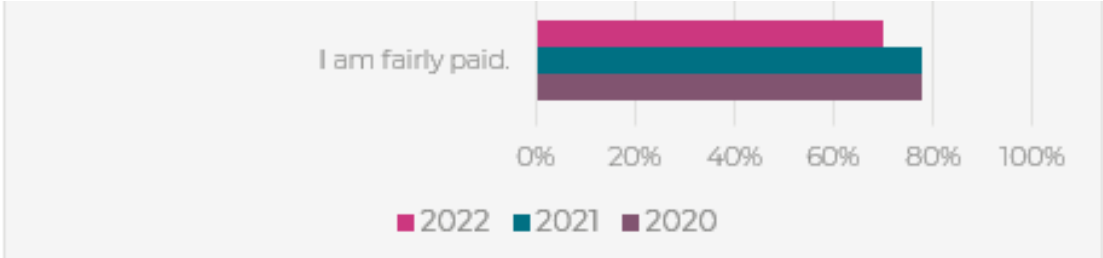
- Introducing Financial Wellbeing workshops for some service areas, to promote the options for financial support that the Commission provides, and also raise awareness of external support and information available
- Partnering with HSBC to offer free financial awareness sessions and finance check ups
- Promoting corporate gym membership rates and options for free access to exercise activities
- We have also recently introduced a new Electric Vehicle scheme, which offers staff the opportunity to access an electric vehicle through salary sacrifice, offering savings against NI and tax
- Promoting the staff 'Hardship fund', which is a 0% interest scheme allowing staff to borrow up to £999 for a fixed period to help in financial hardship circumstances
- Renewing a scheme to reimburse staff flu vaccinations leading up to flu season
- Doubling the limit on the cycle-to-work scheme, allowing staff to access bikes worth up to £7000, and therefore improving access to new technology such as electric cargo bikes; now a viable alternative to car ownership in urban areas.

Compared to the last Wellbeing Pulse Survey (September 2022), respondent awareness of financial support and information internally has slightly increased (from 73% to 76% of respondents who agree there is enough information and support provided). We have seen a particular improvement inservice areas who participated in the financial wellbeing workshops, so will seek to further promote these).

On an annual basis, the Commission undertakes staff surveys, and as part of this a core question is always included that asks respondents to indicate the degree to which they would agree that they are fairly paid. Compared to previous years a reduction (8%) is noted in the most recent survey.



This means that 70% of staff do agree they are fairly paid and this compares favourably to the industry comparator of 66%:



Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change

Agenda Item 2.15



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA/JJ/1304/23

Peredur Owen Griffiths, MS
Chair
Finance Committee
Welsh Parliament
Cardiff Bay
CF99 1SN

31 May 2023

Dear Peredur,

In October 2022, the Finance Committee published their report on The Financial Implications of The Environmental Protection (Single-use Plastic Products) (Wales) Bill. In my response, I agreed in principle to recommendations 1, 2 and 3 which requested amendments to the Regulatory Impact Assessment (RIA) following Stage 2 of the Bill process. I noted such changes would require at least six months to complete and that I would write again once this work had been completed. I am now writing to provide an update on the current position.

Recommendation 1

It is unclear, at this stage, what benefit would be achieved from reassessing costs for retail, catering or hospitality businesses switching to non-single use plastic alternatives as a result of the Bill. The RIA sets out estimated costs for this sector for the products in phase 1 of the bans. I have already set out my commitment to ensure detailed analysis work is undertaken ahead of the introduction of further bans, or of any intention to add to or amend the products in the Bill's Schedule.

Costs will have risen since 2019 when the research underpinning the RIA was undertaken. This applies to all single-use products whatever material they are made of. For example, the unit costs of plates, cups and cutlery for catering and hospitality businesses were small compared with the cost of food or drink products they were sold with. This finding will hold true today. The RIA assumed cost increases which could not be absorbed by a business would be passed on to customers. This also remains true. Following the introduction of bans in Wales or further afield, the report also anticipated new market conditions would lead to an increase in the supply of alternatives, reducing their unit cost.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Julie.James@llyw.cymru
Correspondence.Julie.James@gov.Wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Recommendation 2

Recommendation 2 requested further work be undertaken to assess the cost and disbenefits to manufacturers and other businesses in switching production away from plastic items.

The original research found most of the manufacturing of products in the Bill's Schedule took place overseas. The ongoing engagement officials have taken forward with these sectors has not revealed anything which would call this into question.

During engagement with the manufacturing sector in 2019, only one company came forward with cost estimates for a transition to manufacturing on-plastic alternatives. These were specific to that business. Subsequent discussions with the contractors who undertook this work indicated that information to help improve the 2019 estimate is still unlikely to be available or accessible.

Taking these two factors into account, officials believe it unlikely that revisiting the costs and disbenefits to manufacturers would provide the outcomes the Committee expects with respect to this sector.

Recommendation 3

In my initial response to recommendation 3 in October, I clarified the £8.6 million was in respect to benefits to businesses across the UK. This is in line with the requirements of Standing Orders for RIAs. The report found that manufacturing businesses in Wales could retain a share of this benefit if businesses responded by producing the alternative products.

Next steps

We will commission further evidence to inform RIAs for a limited selection of the products in the Bill's Schedule rather than revisiting all the products. This includes single-use carrier bags, single-use polystyrene lids for cups and single-use polystyrene lids for takeaway food containers, for which costs and benefits were not fully estimated at the introduction of the Bill. I believe this would be a better use of public money.

The new evidence will supplement initial work undertaken during summer 2022 ahead of the Bill's introduction. I have also asked my officials to revisit impact data for oxo-degradable and oxo-biodegradable plastic products, as not many products were found to be on the market during the original research in 2019. Since then, the UK and Scottish Government have undertaken work on these products, so I believe revisiting the RIA for these products in relation to the potential introduction of a ban in Wales is now warranted.

Yours sincerely,



Julie James AS/MS

Y Gweinidog Newid Hinsawdd
Minister for Climate Change

Our Ref: RE/178/2023

Peredur Owen Griffiths MS
Chair, Finance Committee
Senedd Cymru
Cardiff Bay
CF99 1NA

13 June 2023

Dear Peredur,

I am writing to inform you that I will be hosting the next meeting of the Finance: Interministerial Standing Committee (F:ISC) on 22 June in Cardiff.

This will be the first time that Shona Robison MSP, the new Deputy First Minister and Cabinet Secretary for Finance for Scotland, will be attending the F:ISC meeting, and I look forward to her joining us.

The focus of the meeting will be on energy security and looking at this issue through a fiscal and economic lens. Consideration will be given to renewable energy, including grid infrastructure and how to ensure that costs of transitioning to greener energy are socialised and distributed fairly, so the poorest in our communities do not see the largest relative increases in the costs they incur. I will be highlighting innovative projects in Wales and outlining areas requiring UK Government investment and discuss opportunities around job creation and research, development and innovation.

We will also have an item on public spending pressures and economic outlook, which will discuss the Prime Minister's target to halve inflation, and how we can work collaboratively in relation to cost of living support. There will be a focus on NHS funding, and I will also be seeking clarity on how public sector pay awards are being funded in England, and whether this will give rise to consequential funding for Wales. There will also be a discussion on capital funding pressures and budget flexibilities.

There will also be an update on EU replacement funding, reporting on the action from the last meeting, and as the F:ISC has been operational for over a year, we will be discussing plans for the forthcoming review of its Terms of Reference and Operating Procedures.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Lastly, I have requested a bilateral meeting with the Chief Secretary to the Treasury alongside the F:ISC to discuss Wales-specific spending pressures and economic outlook and also climate change resilience, with a focus on supporting industrial communities.

I will report to the Committee on the outcome of the meeting.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a period at the end.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol

Minister for Finance and Local Government

Document is Restricted

Document is Restricted

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/RE/0660/23

Peredur Owen Griffiths MS
Chair of the Finance Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN
SeneddFinance@senedd.wales
Private.office@senedd.wales

02 June 2023

Dear Peredur,

The Welsh Government's Legislative Consent Memorandum on the Non-Domestic Rating Bill

I am writing in response to your letter of 26 May about the Finance Committee's consideration of the Memorandum on the Non-Domestic Rating Bill (the Bill). I note your comments reflect the questions expressed by the Legislation, Justice and Constitution Committee in its letter of 18 May. I have since written to the Legislation, Justice and Constitution Committee in answer to those questions. My response was copied to the Finance Committee (among others).

I am copying this letter to the Local Government and Housing Committee, the Economy, Trade and Rural Affairs Committee, and the Legislation, Justice and Constitution Committee.

Yours sincerely,

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: MA/RE/0660/23

Huw Irranca-Davies MS
Chair of the Legislation, Justice and Constitution Committee
Welsh Parliament

SeneddLJC@senedd.wales
Private.office@senedd.wales

01 June 2023

Dear Huw,

The Welsh Government's Legislative Consent Memorandum on the Non-Domestic Rating Bill

I am writing in response to your letter of 18 May to fully inform the Legislation, Justice and Constitution Committee's consideration of the Memorandum on the Non-Domestic Rating Bill (the Bill), prior to reporting to the Senedd.

Question 1: At various places in the Memorandum (including paragraphs 4, 6, 7 and 63) you state that the Welsh Government has sought and requested provisions for Wales in the Bill. Can you confirm when collaborative discussions began with the UK Government and when provisions for Wales in the Bill were formally sought.

Discussions with the UK Government in relation to the Bill began in March 2022 and provisions for Wales (with the exception of those relating to the Digitalisation of Business Rates – see response to question 2a) were sought on 20 June 2022. At that stage, discussions were taking place in confidence and it was unclear if and when the Bill would be finalised and introduced.

Question 2: At paragraphs 45 to 47 of the Memorandum you note the delegation of powers in relation to clause 13 and Part 4 of the Schedule. You state that "There was insufficient time prior to the introduction of the Bill to reach firm agreement on the appropriate delegation of powers to Welsh Ministers". You also state that the Welsh Government continues to engage with the UK Government and "further discussions around these specific powers [are] anticipated throughout the passage of the Bill".

- a) Given the commentary we have highlighted in question 1 – that there appears to have been collaborative working on the Bill – please would you provide further clarity as to how and why there was "insufficient time prior to the introduction of the Bill to reach firm agreement on the appropriate delegation of powers to Welsh Ministers".***

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Correspondence.Rebecca.Evans@gov.wales
Gohebiaeth.Rebecca.Evans@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

When the engagement described in response to Question 1 took place, provisions relating to the Digitalisation of Business Rates (DBR) Programme were not part of the Bill content being developed. These provisions were developed during February and March 2023, shortly before introduction of the Bill. On 14 February, I wrote to the relevant Bill Ministers to request details of the provisions being developed and that consideration be given to extending them to Wales. Following a positive response and consideration of the detailed proposals, I formally sought provisions on 17 March and requested further discussion in relation to the relevant delegated powers. I recognised that it might not be possible to conclude those discussions prior to planned introduction of the Bill and a further exchange of letters with the Bill Ministers followed.

b) We note that the Bill is likely to complete its passage through the House of Commons by the end of May, after which it will proceed to consideration by the House of Lords. Should your discussions with the UK Government result in amendments being made to the Bill during Lords' consideration which provide new delegated powers to the Welsh Ministers, please would you confirm that you will lay the required supplementary legislative consent memorandum (containing full details of all relevant changes made to the Bill) in a timely fashion to allow Senedd Committees sufficient time to undertake their scrutiny.

I can confirm that our discussions with the UK Government on this matter concluded during the Bill's passage through the House of Commons. No amendments to the Bill are required as a result of those discussions. It is the Welsh Government's intention to support the Bill provisions extended to Wales in their entirety.

The powers delegated to the Commissioners of HMRC are limited. They do not need to be exercised to enable the legislative framework set out in the Bill to operate, and will only be used where a relevant administrative change to ensure the effective operation of the DBR programme by HMRC is considered necessary. Whilst any secondary legislation made under the delegated powers would alter the requirements placed on NDR ratepayers in Wales, it would also directly affect the functions conferred by the Bill on HMRC.

The Bill requires that the Commissioners of HMRC must consult the Welsh Ministers before making secondary legislation under the delegated powers and to the extent that it makes provision in relation to Wales. This approach will enable the aims of the DBR programme to be delivered and intended benefits realised in Wales. Only HMRC can deliver DBR for Wales, as the programme relies on the sharing and linking with information held by HMRC in relation to non-devolved taxes, as well as NDR.

I will lay a supplementary LCM to clarify the Welsh Government's position on this matter and address any amendments that are made to the Bill, in a timely manner.

Question 3: At paragraph 39 of the Memorandum you note that several provisions in clause 15 of the Bill apply in relation to Wales. In particular, you state that subsection 3(d) "alters the procedure for making regulations from made affirmative to draft affirmative". This regulation-making power, and the made affirmative scrutiny procedure attached to it, was delegated to the Welsh Ministers via the Local Government and Elections (Wales) Act 2021. No detailed explanation is given as to why

you are using a UK Bill to change (by downgrading) a scrutiny procedure for a delegated power which the Senedd itself only approved two years ago. Please would you provide a thorough explanation as to why the changes introduced by clauses 15(3)(d) and 15(4) are being made.

The relevant regulation-making power allows Welsh Ministers to substitute the effect of the Consumer Prices Index on the setting of the non-domestic rating multiplier. This power has been exercised annually in recent years, to freeze the multiplier, as part of the package of support provided to ratepayers during the pandemic and subsequent economic pressures. As the related policy and funding decisions form part of the Welsh Government's Draft Budget, published in December each year, the timing constraints imposed by the existing procedures on the exercise of this power, including the interaction with the Senedd's consideration of the local government finance report, have proved themselves to present a practical challenge. In some years this has impacted negatively on the time available for Senedd scrutiny of the legislation, when the local government finance reports have been considered relatively soon after publication of the Draft Budget.

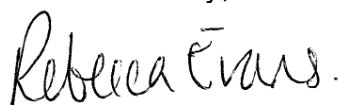
Clause 15(3)(d) removes the existing deadline (before the earlier of 1 March or the Senedd's approval of the local government finance report) for approval of the regulations by the Senedd and ensures that a draft of the regulations is scrutinised by the Senedd before it is made. I do not, therefore, consider that the change of procedure from made affirmative to draft affirmative amounts to a downgrading of scrutiny. If anything, in combination with the removal of unnecessary timing constraints, it will help to ensure that the Senedd has appropriate time for scrutiny of the regulations.

Clause 15(4) removes the existing restriction on when the multiplier can be calculated and confirmed for billing authorities. This will ensure that billing authorities and ratepayers in Wales can be provided with clarity as early as possible and are not disadvantaged compared to those in England due to procedural constraints which do not enhance (and may in some circumstances constrain) scrutiny.

Taken together, these changes will: ensure the Senedd has a consistent opportunity for scrutiny before regulations are made; and reduce the risk of delayed non-domestic rates billing, to the benefit of local authorities and ratepayers in Wales.

I am copying this letter to the Counsel General and Minister for the Constitution, and to the Local Government and Housing Committee, the Economy, Trade and Rural Affairs Committee, and the Finance Committee.

Yours sincerely,



Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government

Agenda Item 7

By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted

Agenda Item 8

By virtue of paragraph(s) ix of Standing Order 17.42

Document is Restricted

Peredur Owen Griffiths MS

Chair, Finance Committee

12 April 2023

Dear Peredur,

Scrutiny of the Draft Budget 2023-24: Evidence provided by the Welsh Government

Thank you for your letter, dated 8 March, seeking the Climate Change, Environment and Infrastructure Committee's views on potential improvements to the documentation provided by the Welsh Government to support scrutiny of future draft budgets. The Committee considered this matter at its meeting on 29 March. I have set out below the key points we would like to draw to your attention.

The written evidence we received from the Minister to inform our scrutiny of the draft budget 2023-24 was not as comprehensive as previous years. As an example, it did not include the Budget Expenditure Lines (BELs) table or a narrative of the BELs that we had requested. While this information was provided at a later date, we would have expected it to have been included from the outset, given that it is critical to our understanding of the Welsh Government's spending decisions.

The Committee is keen for the Welsh Government to include in future documentation an assessment of the carbon impact of the draft budget. While we were advised by the Minister that the Welsh Government is making progress on assessing the carbon impacts of its spending decisions, this was not reflected in the draft budget 2023-24 documentation. There was no explanation of how carbon impacts were assessed and, more importantly, no information on the findings of these assessments.

In her [evidence](#) to the Finance Committee, the former Future Generations Commissioner includes an analysis of the carbon impact of the draft budget 2023-24. We suggest the Welsh Government may wish to consider whether a similar approach could be adopted for future draft budgets for the purpose of providing high level information to the Senedd to support scrutiny.

More generally, one of the key weaknesses of the draft budget process is the time available for scrutiny. The draft budget 2023-24 was subject to a reduced scrutiny timescale which fell over the

Christmas period. This meant limited time was available for analysis ahead of the Ministerial scrutiny session, held in January 2023, and report our findings before the agreed deadline. We are aware, of course, that our experience of working to a reduced scrutiny timescale is shared by other committees.

Finally, the Committee received the Welsh Government's response to its report on the draft budget 2023-24 following close of business the day before the debate on the final budget. This is deeply regrettable as it meant there was limited time for Members to reflect on the response ahead of the debate. We are concerned that this serves to undermine the scrutiny process. Notwithstanding, we are pleased to say, for the most part, the Minister's response was comprehensive.

I hope you find the above useful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Llyr', is centered on a light yellow rectangular background.

Llyr Gruffydd MS,
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. / We welcome correspondence in Welsh or English.

Peredur Owen Griffiths MS
Chair
Finance Committee

18 May 2023

Scrutiny of the Draft Budget 2023-24: Evidence provided by Welsh Government

Dear Peredur

Thank you for your letter of 8 March 2023, and the opportunity to comment on the budget documentation provided by the Welsh Government to inform the Senedd's scrutiny of the Draft Budget 2023-24. We discussed your letter at our meeting of 3 May 2023 and would like to offer the following:

Timeliness

As you know, the time available for scrutiny of the Draft Budget by Committees is limited. We feel that the tight timescales make it challenging to meaningfully assess the impact of the Draft Budget on the policy areas within our remit, and to prepare for the oral evidence sessions with the Ministers.

Quality and usefulness

For us to scrutinise effectively, it is essential that we can rely upon, understand and analyse the information presented to us. We believe that there is room for more clarity and transparency in the Welsh Government's Draft Budget documentation and ministerial written evidence.

1. We believe that the Welsh Government could be more transparent in the way it presents information in the Draft Budget by better forecasting and analysis of the impacts of Welsh income tax revenue and inflation. For example, it was not clear in the Draft Budget

documentation that there had been a real terms reduction in some budgets given the impact of inflation.

2. We also believe that the Welsh Government should also ensure clarity and consistency throughout its Draft Budget documentation and written evidence when referring to budget allocations. We sometimes find inconsistent usage of figures in different Draft Budget papers.

3. On the specific matter of the Draft Budget papers relating to the Welsh Language policy area, whilst acknowledging that the evidence from the Minister is normally comprehensive, we note that there are multiple small areas of expenditure and a lack of clarity around which budget expenditure line the funding has come from. It would be helpful if the Welsh Government could provide an easy-to-follow table of expenditure on the various schemes and projects according to which budget expenditure line it is from, alongside the previous final outturn and any indicative expenditure.

4. Finally, the Welsh Government needs to be clearer in its budget narrative and documentation about how spending across other government portfolios contributes to policy areas within the Committee's remit. This should be clear in terms of messaging, and in terms of identified money, outcomes and measures. Likewise, we ask that the Welsh Government be more transparent when funding has to be reprioritised by setting out where funding has been re-allocated to another area, the rationale for doing so, and the consequences of that decision for those services affected.

I hope that these reflections on our experience of scrutinising the Welsh Government's Draft Budget 2023-24 will be of assistance in driving forward improvements for future years.

Yours sincerely



Delyth Jewell MS
Committee Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Peredur Owen Griffiths MS
Chair of the Finance Committee

25 May 2023

Re. Scrutiny of the Draft Budget 2023-24: Evidence provided by the Welsh Government

Dear Peredur,

Thank you for your letter dated 8 March requesting our views on what improvements we would like to see in the Welsh Government's Draft Budget documentation and subsequent ministerial written evidence. We considered the letter during our meeting on 3 May. Please accept my apologies for the delay in responding.

Thank you for your ongoing efforts in leading the Senedd's scrutiny of the Welsh Government's Draft Budgets.

We scrutinise in detail Draft Budget documentation and written evidence across two different Welsh Government departments: those of the Minister for Education and Welsh Language and the Minister for Health and Social Services. We are therefore well-placed to offer views on the consistency of the written evidence across these Welsh Government departments.

I would like to preface the views of the Committee set out below by placing on record our thanks once again to the Ministers and to their officials for their ongoing support in relation to Draft Budget scrutiny. We ask for a very significant amount of detailed information in advance of Draft Budget scrutiny, at a very time-pressured period of the year. I am grateful for the efforts of everyone involved in preparing and approving that information.

As you will know, the Welsh Government has legislated to embed children's rights into its decision making process, which should include using the maximum extent of its available resources to implement the rights of children in Wales. The quality of and transparency within budget documentation is therefore critically important to our Committee's scrutiny of Welsh Government allocations in examining whether children and young people are getting their fair share.

In our [report on the 2023-24 Draft Budget](#), we conclude that:

"... the written information that we received from the Minister of Health and Social Services and her deputies was not as clear, transparent or as detailed as we had hoped. The relative lack of detail in the written evidence was particularly notable given that the Minister for Health and Social Services, her deputies and officials provided considerably more detail to us during oral scrutiny. We regret that this additional information was not provided to us in the written evidence. Had it been, more time during our discussions could have been focused on substantive issues of policy, rather than on clarifying budgetary details."

We made the following recommendation:

*"**Recommendation 2.** The Welsh Government should set up a cross-departmental working group to improve the quality and consistency of written evidence that it provides to Senedd Committees to support the Draft Budget scrutiny process, drawing on the good practice that already exists across governmental departments."*

The Welsh Government [accepted this recommendation in principle](#).

Reflecting on our experience of Draft Budget scrutiny on 3 May, we agreed that the written evidence provided to us by the Minister for Education and Welsh Language fully and comprehensively responded to our written request. This enabled us to focus our time during oral scrutiny on important policy matters. As our report sets out, we do not believe that this was the case for the evidence we received from the Minister for Health and Social Services. The evidence did not always respond clearly to our questions, and it did not always provide the level of detail that we needed to understand where the Welsh Government was making substantive changes to the funding of key public services from one year to the next, and why.

Therefore, the key improvement that we would like to see is that all Welsh Government departments respond to our written requests fully and comprehensively, using the level of detail in the written evidence submitted to us by the Minister for Education and Welsh Language as a model of good practice.

We acknowledge that we have a role to play in supporting the Welsh Government to prepare that written information by requesting information in a clear and timely manner. If you identify any improvements that we could make to our approach to requesting written evidence that would support Welsh Government officials and Ministers to prepare and approve the detailed and robust written evidence that we expect, we would be very willing to consider them.

Yours sincerely,



Jayne Bryant

Jayne Bryant MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Peredur Owen Griffiths MS
Chair, Finance Committee

20 April 2023

Dear Peredur

Scrutiny of the Draft Budget 2023-24: Evidence provided by the Welsh Government

Thank you for inviting us to share views on the Welsh Government's Draft Budget documentation and ministerial written evidence.

In terms of our approach to scrutiny of the Draft Budget for 2023-24, we wrote to the Minister for Social Justice on our priority areas and received a response on 16 December 2022. We held an evidence session with the Minister for Social Justice and the Deputy Minister for Social Partnership on 16 January 2023.

On a practical level, we were grateful to the Welsh Government for providing its written evidence in a timely fashion, in advance of on 16 January 2023. However our report, published on 6 February 2023, sets out our main concerns with the documentation provided by the Welsh Government to assist our scrutiny. These predominantly relate to the amount of detail available to justify budget decisions and their impact on different sectors of society. They are summarised below:

Transparency

As you will be aware, our Committee remit covers areas which include the Anti-racist Wales Action Plan and the LGBTQ+ Action Plan, both of which are cross-government schemes. We were disappointed not to receive a clear indication of budget allocations across departments in advance of our scrutiny session. The cross-departmental nature of plans such as these can blur transparency and accountability. To enable more effective scrutiny, a more detailed breakdown of figures should be provided.

Strategic Integrated Impact Assessments

It is our view that the impact of budget decisions in terms of equality and the well-being of future generations should be clearly set out. The Strategic Integrated Impact Assessment (SIIA) as included with Draft Budget for 2023-24 did not offer the detail we believe necessary in order to justify the Welsh Government's spending decisions. Our report reiterated a recommendation from our report on the Draft Budget for 2022-23, namely that the Welsh Government should review the Strategic Integrated Impact Assessment with a view to publishing a more detailed account of how Draft Budget decisions impact on different groups in advance of the Final Budget. This was rejected by the Welsh Government in its response to our report on 1 March 2023.

Distributional analysis of budgets

Our report noted the Welsh Government's explanation that an updated distributional analysis had not been published as part of the 2023-23 process due to allocations remaining fairly similar. However, we believe that the economic crisis around the cost of living justifies keeping this analysis as up-to-date as possible, as it will be crucial in informing the Budget Improvement Plan. Our recommendation for an updated distributional analysis to be published alongside the Final Budget was rejected by the Welsh Government.

We hope our reflections are useful to your Committee as it conducts its work on this important area.

Yours sincerely,

A handwritten signature in black ink that reads "Jenny Rathbone". The signature is written in a cursive style with a large initial 'J' and 'R'.

Jenny Rathbone MS

Chair, Equality and Social Justice Committee

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

—
**Economy, Trade and
Rural Affairs Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddEconomi@senedd.cymru
senedd.cymru/SeneddEconomi
0300 200 6565

—
Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddEconomy@senedd.wales
senedd.wales/SeneddEconomy
0300 200 6565

Peredur Owen Griffiths MS
Chair, Finance Committee

26 May 2023

Subject: Welsh Government Draft Budget 2024-25: Engagement

Dear Peredur

Thank you for inviting the Economy, Trade and Rural Affairs Committee to engage with your work on Welsh Government Budget documentation and Ministerial written evidence. We do not have anything to add at this point however I look forward to representing the Committee in the spending priorities debate on 12 July and we will follow the work with interest

Kind regards,



Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Peredur Owen Griffiths MS
Chair
Finance Committee

28 April 2023

Dear Peredur

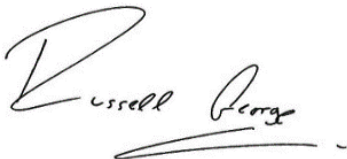
Scrutiny of the Draft Budget 2023-24: Evidence provided by the Welsh Government

Thank you for your letter of 8 March 2023, and the opportunity to comment on the budget documentation provided by the Welsh Government to inform the Senedd's scrutiny of the Draft Budget 2023-24.

We discussed your letter at our meeting on 30 March 2023, and hope that the reflections on our experience of scrutinising the Welsh Government's draft budget 2023-34 set out in the annex to this letter will be of assistance in driving forward improvements for future years.

Please let us know if you would like any further information.

Yours sincerely



Russell George MS
Chair, Health and Social Care Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg. We welcome correspondence in Welsh or English.

Annex: views of the Health and Social Care Committee on the Welsh Government's Draft Budget 2023-24 documentation and subsequent Ministerial written evidence

Background

1. The Committee's scrutiny of the Welsh Government's draft budget 2023-24 took place on 11 January 2023. In line with our usual practice, we wrote to the Ministers with responsibility for health and social care on 28 October 2022, requesting written information to inform our scrutiny. The deadline for submission was 14 December 2022. We received the final documentation in English on 21 December 2022. The Welsh documentation was not received until 9 January 2023 (our meeting papers had been published on 6 January 2023). In addition, on 9 January 2023, we received a request to replace part of the original English submission (which had already been published) with a revised version.

Timeliness of evidence

2. Papers need to be received bilingually when requested with all the relevant attachments. They should also be accurate and not need to be replaced by updated or amended versions. Receiving evidence a week late, and only just before the Christmas break, reduced the time available for Members and our officials to consider the evidence and prepare for the oral evidence session with the Ministers.

Focus of evidence

3. The Committee would like to see the Welsh Government give us the top line, key messages; how the allocations reflect those messages; the outcomes they expect to see and how they will measure those outcomes. While we had written to the Welsh Government in advance to identify some issues, the written evidence was very long and lacked specifics.

4. In future, we would want a summary of key headline messages, key and significant changes (e.g. health board inflation increases, increase in social care funding), key pressures, key new objectives or priorities, and changes from the previous year. The main body should be well-edited and focused. It should show precisely what is being spent, in what areas, the timeline for the spend, and what impact/output will be secured for that spend. For capital schemes, it should be specific about what schemes are being funded, and what will be bought and by when. Evidence this year, and in previous years, has lacked granular detail.

5. A significant proportion of health funding is given directly to health boards. The Committee needs to receive information about the Ministers' priorities and any directions relating to this funding at a far earlier stage. We can see no reason why we should not receive this at the same as health boards, and at the very least well in advance of any oral evidence sessions.

6. The Welsh Government needs to be clearer in its budget narrative and documentation about how spending in other DELs contributes to tackling health inequalities. This should be clear in terms of messaging, and in terms of identified money, outcomes and measures.

7. This is also the case in relation to preventative spend.

Welsh Government's response to the Committee's report

8. The Welsh Government's response to the Committee's report needs to be received further in advance of the Plenary debate to enable Members and stakeholders to consider it before taking part in the debate and vote on the budget. This year, we received the English version the evening before the debate, and the Welsh version and a covering letter just hours before the debate took place.

Information about the final budget

9. When the final budget is laid, it should be accompanied by clear information about what has changed from the draft budget. Ministers should write to Committees that have undertaken budget scrutiny, either to confirm the draft budget allocations are reflected in the final budget, or to identify where there have been changes.

Peredur Owen Griffiths MS
Chair, Finance Committee

26 April 2023

Dear Peredur,

Scrutiny of the Draft Budget 2023-24: Evidence provided by the Welsh Government

Thank you for your letter regarding the Welsh Government's Draft Budget documentation which we considered at our meeting on 23 March.

We discussed ways in which budget documentation and subsequent ministerial written evidence could be improved, including:

Timeliness

As you know, the time available for scrutiny of the Draft Budget by committees is very limited. We feel that the tight timescales make it challenging to meaningfully assess the impact of the Draft Budget on the policy areas within our remit, namely local government and housing. Effective and robust scrutiny of the Draft Budget is further curtailed by the Christmas recess. This year, this challenge was exacerbated by the fact that we did not receive the Minister for Climate Change's written evidence on the Draft Budget until late on 22 December, over a week after it was originally requested, leaving only one working day before Christmas Shutdown for officials to consider the paper. Not receiving ministerial written evidence alongside the publication of the Draft Budget is frustrating when the timetable for scrutiny has already been reduced.

We believe that the time available for Draft Budget scrutiny during the past two years has been insufficient and the process rushed. We have two significant policy areas within our remit, and in order to scrutinise the Draft Budget and the Local Government Settlement effectively, an evidence session with the Welsh Local Government Association is essential. This is in addition to the two scrutiny sessions with the relevant Ministers. Within this short timeframe, we also need to schedule time to reflect on the evidence received and draft and consider a report. This year, we were unable to

publish the English version of our report on the Draft Budget until late afternoon on the day of the reporting deadline; the Welsh version was not published until the morning of the debate in Plenary. This highlights how challenging it can be to meet the scrutiny deadline. This also raises questions in relation to the extent in which Senedd Members, the Welsh Government and stakeholders can meaningfully consider committee reports before the debate.

Quality and usefulness


We believe that there is room for more clarity and transparency in the Welsh Government's Draft Budget documentation and ministerial written evidence. We have struggled to ascertain some of the impacts of the Draft Budget and relied on our researchers to raise areas of cuts to budgets with us. For example, it was not clear in the Draft Budget documentation that there had been a real terms reduction in some unchanged budgets. Despite the Housing Support Grant allocation remaining at £166.8 million in cash terms, it is in fact a real terms reduction given the effects of inflation. We believe that the Welsh Government should be more transparent in the way it presents information in the Draft Budget, especially given that budgets will not go as far given the impact of inflation.

Likewise, we ask that the Welsh Government be more transparent when funding has to be reprioritised. It would be helpful if the Welsh Government could provide more transparency in relation to the implications of decisions made, by setting out where funding has been allocated to actions within another area, the reasons for doing so, and the consequences of reprioritisation.

We believe that the Welsh Government should also ensure clarity and consistency throughout its Draft Budget documentation and written evidence when referring to budget allocations. Our researchers often find inconsistent usage of figures in different Draft Budget papers, and is particularly prevalent when the focus is on local government funding. In addition to the standard budget documentation and ministerial paper, a local government funding settlement document is published a day after the Draft Budget. It is crucial that we are able to understand and analyse the information presented to us in order to scrutinise effectively.

I hope that your Committee and the Minister for Finance and Local Government will find this feedback helpful.

Yours sincerely,



John Griffiths MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Document is Restricted